

**OVERSIGHT OF THE FEDERAL EMERGENCY MAN-
AGEMENT AGENCY'S RESPONSE TO THE BATON
ROUGE FLOOD DISASTER: PART II**

HEARING

BEFORE THE

**COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES**

ONE HUNDRED FIFTEENTH CONGRESS

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CONTENTS

Hearing held on April 5, 2017	Page 1
WITNESSES	
The Hon. John Bel Edwards, Governor of Louisiana	
Oral Statement	7
Written Statement	10
Mr. Robert J. Fenton, Jr., Acting Administrator, Federal Emergency Management Agency	
Oral Statement	47
Written Statement	49
Rear Admiral David Boone, USN, Retired	
Oral Statement	57
Written Statement	59
Mr. Mark Harrell, Emergency Coordinator, Livingston Parish, Louisiana	
Oral Statement	63
Written Statement	65
APPENDIX	
Letter of January 18, 2017, from FEMA to CB&I Federal Services, submitted by Mr. Chaffetz	116
February 23, 2017, The Advocate “Blind Baton Rouge Man Baked to Death in a FEMA Trailer,” submitted by Mr. Chaffetz	118
Letter of February 14, 2017, from the Department of Housing and Urban Development to the State of Louisiana, submitted by Mr. Cummings	121
The Hon. Junior Shelton, Mayor of Central, Louisiana, Statement for the Record	123

OVERSIGHT OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S RESPONSE TO THE BATON ROUGE FLOOD DISASTER: PART II

Wednesday, April 5, 2017

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The committee met, pursuant to call, at 9:31 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Jordan, Amash, Meadows, DeSantis, Ross, Walker, Blum, Hice, Grothman, Hurd, Palmer, Mitchell, Cummings, Maloney, Lynch, Plaskett, Demings, Krishnamoorthi, Welch, Cartwright, and DeSaulnier.

Also Present: Representatives Graves, Johnson, and Richmond.

Chairman CHAFFETZ. The Committee on Oversight and Government Reform will come to order. Without objection, the chair is authorized to declare a recess at any time.

The chair notes the presence of our colleagues from Louisiana and who are also joining us here, and we appreciate the interest in this topic.

I'd like to ask unanimous consent that Garret Graves, Mike Johnson, and Cedric Richmond be allowed to fully participate in today's hearing.

Without objection, so ordered.

We had one of the worst natural disasters in this country happen again in Louisiana. On August 11, 2016, a no-name storm dropped some 7.1 trillion gallons of rain on the Baton Rouge and Livingston Parish area. Some areas received up to 31 inches of rainfall in just 2 days. That is so unbelievable. It's hard to imagine how much rain was falling in such a short amount of time. The resulting flood was one of the worst disasters in our history, causing over \$8 billion of damage and claiming 13 lives.

The first responders, friends, and neighbors, including Representative Garret Graves, who took his own paddleboard out and coordinated to get people help, rescued more than 15,000 people from the floodwaters.

And, again, we appreciate our representatives from Louisiana being here and participating in this hearing.

There were some 150,000 local residents who applied for assistance. Seven months later, estimates indicate that more than 45,000

flood victims remain displaced and don't yet live at a home. Another 600 families are still living in a hotel.

You know, this is one of the things that my colleague here to my right, Elijah Cummings, talks a lot about. We keep saying we're ready, we keep appropriating the money, and they're flat out not ready to deal with it.

Congress responded to this by appropriating \$1.6 billion to be administered by the State of Louisiana, on top of billions available through other programs. The committee sponsored the first congressional delegation to the affected areas in the weeks after the floods and held a hearing on September 9 of 2016.

The committee then returned to the area in February. Additionally, we have reviewed more than 80,000 pages of documents from the Federal Emergency Management Agency, or FEMA, and through our field work and document review, we discovered significant failures at FEMA.

Among the most egregious examples is FEMA's failure to deploy in a timely manner. These MHUs, these—again, these mobile housing units, are a housing option of last resort for flood victims. At the time of the September hearing, FEMA had placed only one person in an MHU, despite having 70 MHUs locally and sitting on a lot.

I want to show you this graph here. Now, remember, this disaster happened in August. This is the deployment of the mobile housing units. Twenty-two are out there in September. October, 593, but you really don't ramp up until February. February. This thing happened in August.

You can take that slide down.

These are people who are in desperate need of housing and simply had to wait too long. In fact, we still have people that are waiting. There are still people waiting in line. It's April, and they're still waiting.

Unfortunately, the problems with the mobile housing units are not limited to the abysmal placement or pace of deployment. Let me show you what this—I want to put up this slide here, if I could.

This is from Clayton Homes. Okay? This is—we went online, staff did good work. It's kind of hard to see there, but you can go online right now, in Louisiana, and that top one, it's called the Elation, you can—it says its in stock. They can buy it between \$26,000 and \$45,000, right now. You can just push the button and order it. And when we talked to the representatives from Clayton Homes this morning, in Gonzales, Louisiana, near Baton Rouge, they quoted \$3,600 to \$10,000 for delivery and installation, and they can start today.

The Federal Government pays \$150,000 for these units, and you can go online and buy the nicest one they have for 45 grand, and for another 10 you can get it there. \$100,000 premium we're paying, and they can't get them to the people that are affected for months and months and months on end? Go online, for goodness' sake, and you can do a better job and save the taxpayers, literally, millions of dollars.

It's so frustrating to see these people suffer and hear their horror stories.

And, by the way, with FEMA, when they purchased these things at \$150,000 a pop, we found a pattern of serious maintenance issues with them. Electrical issues, clogs, leaks, plumbing problems, doors that would not shut or lock, fires, and malfunctioning fire suppression systems, HVAC systems that were too hot, too cold, didn't work at all, unusable furnishings. On average, average, each unit had more than 1.3 problems with it. Most concerning is the HVAC and thermostat issue.

In October of 2016, a faulty MHU overheated and killed an 84-year-old man. In fact, let's put up the slide from The Advocate, who had this story that ran. He was baked to death in a FEMA trailer. And we have spent considerable time looking at the suffering that this man went through and ultimately lost his life. FEMA falsely told our committee staff, who was there on the ground at an in-person briefing, there had been no deaths due to faulty MHUs or any efforts to replace a pattern of defective parts. That was absolutely not true.

Shortly after the man's gruesome death, FEMA ordered a contractor, Chicago Bridge and Iron Company, to replace approximately 1,500 thermostats. Sadly, in the midst of recovery efforts, FEMA's priorities were clearly misplaced.

In an October 31, 2016, email uncovered by the committee, a FEMA official writes, quote, "We have no way to predict what this news will do to our operation and how the congressional office will use this prior to election," end quote.

This is not the first time FEMA has placed its own image above aiding citizens in need. Ten years ago, the committee held a hearing on formaldehyde levels in trailers deployed by FEMA in Hurricane Katrina. Then Ranking Member Tom Davis stated, quote, "FEMA's concerns were a legal liability in public relations, not health and human services," end quote. It doesn't seem as if anything has changed since Hurricane Katrina.

FEMA is repeating many of the same mistakes they should have learned from Katrina. Additionally, we identified pervasive waste of FEMA funded State-run Shelter At Home Program. This program allows for \$15,000 in temporary repairs to a home so flood—so flood victims can remain in their homes while finishing repairs. So the contractor gets \$15,000, come in and do some temporary repairs, then they can stay in their home. The biggest beneficiary of this program were the contractors who were allowed to make repairs that cost well beyond their value. The State reimbursed contractors for repairs based off negotiated and—I don't know. Talk about bad negotiators—off negotiated itemized on the list. So let's look at what we're paying for for basic items.

We went to Amazon.com, we figured out people know what that is. You know, pay less than \$100 bucks, you can get a Prime membership and also watch some videos. These are what Shelter At Home Program was paying. Okay? For the two-burner hot plate, \$120. You can go on Amazon, buy it for \$22 bucks. Microwaves, \$133. You see a long list. The AC unit, \$985; you can buy them for \$249. And guess what? Amazon will deliver it to your door for free shipping. And if Amazon doesn't, my guess is every retailer that's in Louisiana would also do it to help out their friends in need right next door.

We're paying ridiculous prices. We're paying \$150,000 a unit, and we can't get it to the people.

Contractors were also able to charge up to \$1,500 to quickly inspect HVAC, electrical, and plumbing systems. The committee has questions, though, about the quality and workmanship of these temporary repairs. We met with an elderly woman whose replacement sink was attached to her drywall instead of into the studs. Let me show you what this looks like. This is after the repairs.

If you can put up that slide.

As she puts it up, the sink fell on her foot resulting in a painful and expensive hospital visit. These are far from the only problems we've had with the recovery.

I don't know if we have that slide there, but this—basically, the sink was installed, and it just fell right out of the wall. And if you just see the surrounding area and what it was looking like, it was absolutely just abysmal, abysmal conditions.

We're concerned about the delays and the State's selection of a contractor to manage the \$1.6 billion Congress appropriated in September. So the disaster happens. Congress appropriates money very pretty swiftly, and reports indicate that the State bungled the initial award and then restarted the process 2 weeks ago. It's April 2017. This happened in August, and they just restarted the process. So it's on the bureaucracy instead of getting it to the victims.

Furthermore, the estimates are that the contractor who gets awarded this is going to get \$250 million to administer this. Now, there's costs. I'm not saying there's no cost. But you've got 600 families that are still in hotels. I can't see a single thing that went right with this, except one thing: The men and women, the families there in Louisiana, they took care of themselves. They helped neighbor to neighbor. They got out there and did what it took to take care of it.

But it's an embarrassment for the Federal Government, FEMA, and those involved at the State level too that we are here in April, and they still haven't solved this problem. And we've got real people suffering, and that's—that's why we're having this hearing today.

So I'd now like to recognize the ranking member, Mr. Cummings, for his statement.

Mr. CUMMINGS. Mr. Chairman, I want to thank you for holding this hearing.

I've often said that—and you alluded to this—when I think back at Katrina, it is something that I've talked about many, many times, and that was the situation where people who kept saying when the rubber meets the road, everything is going to be fine. And when it came time for the rubber to meet the road, we discovered there was no road.

The torrential rains that hit Louisiana last August have been described as once-in-1,000-year event. Some areas received as much as 2 feet of water and rose to record levels. The harm inflicted was vast, flooding more than 60,000 homes and forcing thousands of families to flee.

Today's hearing is an important opportunity to make sure that we're doing everything possible to help the victims of this historic flood. Our work has been bipartisan. And not only do I appreciate

that immensely, but I believe it makes our committee more effective and more efficient.

After Hurricane Katrina, one of the key lessons we learned, that there were some contractors involved in the recovery effort were corrupt. I said it. Some of them were corrupt. Folk had their hands out in the matter—in the midst of a disaster because they wanted to take advantage of the moment. They did not hesitate to exploit the disaster and billed the American taxpayers, and they caused additional suffering to the residents of the region. In other words, there was pain layered on top of pain.

In response, we resolved to hold contractors to account, and we pressed FEMA and other agencies to conduct more rigorous oversight of their contractors. This is no doubt that things have improved, no doubt about it, since Hurricane Katrina, but I continue to have serious concerns about FEMA's reliance and dependence on contractors, as well as its ability to hold those contractors accountable.

Let me highlight one example. I think the chairman talked about this briefly. Last October, an 84-year-old blind veteran, Everett Wilson, was found dead in a manufactured housing unit that he was provided after the floods. Apparently, there was a malfunction in his thermostat, so the heat kept pumping and pumping and pumping. When Mr. Wilson was found dead, it was 130 degrees in his unit.

As part of our investigation, our staff spoke to Mr. Wilson's caretaker. She told us that the thermostat was malfunctioning as soon as Mr. Wilson moved into the unit. She said she called repeatedly to get help, and that the maintenance repairman came out to his unit. However, she said he claimed he was not qualified to fix the heating and air conditioning system, so he left. And nobody else, apparently, returned after that.

However, we've obtained internal documents showing that the company has a terrible record of documenting its maintenance calls and responding to maintenance requests. Approximately 1 month before Mr. Wilson's death, a FEMA official warned CB&I, and I quote, "I have seen at least 20 problems with your subs," end of quote. He wrote, quote, "Please drop the hammer on these guys," end of quote.

In addition, our staff reviewed the company's maintenance records in the weeks leading up to Mr. Wilson's death, and they showed that CB&I received at least 25 calls from other residents about heating and air conditioning problems in their units. These problems did not get fixed before Mr. Wilson's death, and they did not get fixed in the months afterwards. When the rubber meets the road, no road.

For example, on January 4, a FEMA acquisitions quality assurance specialist sent an email to a FEMA Federal coordinating officer expressing concern that in December alone, CB&I received 1,980 maintenance calls, and I quote, "The contractor only completed 198 of those, thus, 90 percent not completed," end of quote. Rubber meet the road, no road. That is 9 out of 10 calls the company failed to address.

CB and CI—CB&I also missed or failed to complete 40 percent of its monthly inspections of these manufactured housing units. Ac-

ording to the same email, quote, "Repeat caller"—and I quote, "Repeat caller complaints that go without maintenance attention are numerous," end of quote.

So you had Mr. Wilson, who basically became collateral damage. That's right. I worry that more and more people in our country, because there is a lack of empathy, a lack of professionalism, a lack of responsibility, a lack of decency, allow others of us to become collateral damage.

So on January 16, a Federal coordinating officer at FEMA emailed his colleague warning that, and I quote, "CB&I's maintenance subcontractor continues to struggle," end of quote. And that the company was providing, and I quote, "substandard performance," end of quote.

Today's—2 days later, on January 18, FEMA sent a letter of concern to CB&I expressing, and I quote, "concerns about your current trend of performance." The letter highlighted problems with, quote, "completing and reporting of backlog maintenance work orders and nonresponse to repeat calls from FEMA applicants." So I'm assuming somebody is getting some money, but nobody's performing the work.

The documents we have obtained show that this contractor has a terrible, terrible record, and this demonstrates why aggressive oversight is so critical and so crucial.

Finally, Governor Edwards, I want to thank you for testifying here a second time, as well as for the testimony that you provided about the value of the Shelter at Home Program, which temporarily repaired more than 10,000 homes and saved countless neighborhoods from abandonment. This vital program can be improved, and I believe you would agree with that, based on the experiences of Baton Rouge. And we look forward to hearing from you about how to make productive changes.

I want to thank all of our other witnesses for being here today.

Again, Mr. Chairman, I thank you for the bipartisan effort. And with that, I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I also ask unanimous consent that the letter of concern issued by FEMA as highlighted in your opening statement as well as the article from The Advocate that I highlighted in my statement, that both of these items be made part of the record.

Without objection, so ordered.

Chairman CHAFFETZ. We will hold the record open for 5 legislative days for any members who would like to submit a written statement.

But now, we would like to welcome our witnesses. We're very pleased for the cooperation and the accessibility for the Honorable John Bel Edwards, the Governor of the great State of Louisiana, for being here again.

We thank you, sir, for being here.

We also have Mr. Robert Fenton, Jr., acting administrator for the Federal Emergency Management Agency, often referred to as FEMA.

We have Rear Admiral David Boone, president for the Chicago Bridge & Iron Federal Services.

We thank you, sir, for your service, but we also thank you for being here today.

And we have Mr. Mark Harrell, emergency coordinator for Livingston Parish, Louisiana. Somebody who is truly on the front lines.

And, sir, we thank you for all of your efforts, and we thank you for your candid testimony here today. So I want to proactively thank you for being here as well.

Pursuant to committee rules, all witnesses are to be sworn before they testify. So if you'll please all rise and raise your right hand.

Do you solemnly swear or affirm that the testimony you're about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Thank you.

Let the record reflect that all witnesses answered in the affirmative.

In order to allow time for proper discussion, we would appreciate it if you would limit your oral testimony to 5 minutes. Your entire written record and any supplemental items will be made part of the congressional record as well.

But if—we have lights there. As my colleague, Trey Gowdy, likes to say, it's green, go; when it's yellow, speed up; and when it's red, you've got to stop. So if you could just make sure you move that microphone nice and close and hit the button as you go along, we'd appreciate it.

Governor, you are now recognized for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF HON. JOHN BEL EDWARDS

Governor EDWARDS. Chairman Chaffetz, Ranking Member Cummings, members of the committee, good morning and thank you for the opportunity to be here today.

Since I was last here testifying before this committee, the Louisiana congressional delegation and I discussed with you and your colleagues, as well as the Obama and Trump administrations, what it would take to give the people of Louisiana a full recovery. These conversations have been extremely productive.

First, I want to thank you for the \$1.6 billion appropriated thus far, and I'm grateful for the time this committee staff has taken to visit Louisiana to better understand the challenges we are facing. I'm also grateful to be invited here to discuss how to improve and speed up the way the Federal Government responds to natural disasters.

The historic March and August floods were the fourth most costly flood event in United States history, with over 112,000 of homes with FEMA-verified loss. Understanding the scale of the destruction is critical to any conversation about recovery and where we go from here. Just as important is an understanding of how Federal regulations have hindered our ability to get the assistance we need for the people of Louisiana. Prior to and throughout the immediate response of the 2016 floods, FEMA was a very good partner, but the transition from response to recovery is where challenges arose.

Since I took office as Governor last year, 57 of Louisiana's 64 parishes have received Federal disaster declarations, home to 85 percent of the State's population. The waters may have receded, but their mark remains in living rooms and schools and shops around the State. The State has worked around the clock to act as quickly as possible within the parameters set by Federal regulations, and yet we know there are still improvements we can all make, which is why we are here today, as there are lessons to be learned from every disaster.

You have specifically asked me to talk to you about Shelter at Home. After Hurricane Katrina in 2005, we saw entire communities turn into ghost towns. St. Bernard Parish, a suburb of New Orleans, lost more than half of its population. Families were broken apart, businesses closed, and many students and teachers never returned to their classrooms. After last year's flooding, it was important to us not to let that happen again. However, many of the challenges that plagued the recovery from Hurricane Katrina still cause problems today.

We looked to programs used around the country and lessons learned from other devastating events, such as Superstorm Sandy, with the objective of holding communities together, like Livingston Parish. We studied New York's version of FEMA's STEP program. We decided that a restructuring of that program was our best opportunity to prevent repeating what happened in the aftermath of Hurricane Katrina.

Our version of STEP known as the Shelter at Home Program provided a cost effective temporary housing option, given that hotel, motel, and rental stock was insufficient even before the storm and was greatly reduced due to flood damage, and also because manufactured housing units were not readily available. The purpose of Shelter at Home was to create a safe, secure, and habitable home with a minimum of one operational bathroom, running water, a functioning kitchen, and working heating, air, hot water heater and electrical outlets among the list of 62 repair items, while homeowners made long-term permanent repairs.

Without the Shelter at Home Program, we would have been forced to put thousands of families in hotels, mostly outside of their home towns and even outside the State, at a much greater cost, roughly \$40 million per month for the 11,000 families who used Shelter at Home.

However, we encountered numerous challenges within the Federal process that limited the assistance we were able to provide homeowners. For instance, there are certain repairs that make a house look and feel like a home, such as insulation and sheetrock on the exterior walls that were not permitted under Federal guidelines. While we did request to expand the program and include these repairs, we were denied.

Expectations, understandably, were often far above the FEMA restrictions we were bound by, and early on we struggled to communicate that effectively to homeowners. Knowing that the repairs were often austere and primarily of a temporary nature, we began carefully outlining to homeowners, before the work began, what the scope of work would include.

Simply put, TSA and MHUs don't fill the need. STEP is too limited, but you can help. For example, consider carving out an exception to the duplication of benefits language in Title 42 and form an incorporating step into FEMA regulations under the public assistance program, category B. This will allow States to have prestorm contracts in place so that implementation time and program costs are reduced greatly. But this is just one example. There are numerous adjustments both on the regulatory side and within statute that would give States the flexibility to provide a more robust and timely recovery for our citizens.

I look forward to continuing with this conversation today, as I know we have a shared goal of expediting and improving the overall recovery process.

Thank you.

[Prepared statement of Governor Edwards follows:]



House Committee on Oversight and Government Reform Hearing
***“Oversight of the Federal Emergency Management Agency’s Response to the Baton Rouge
Flood Disaster: Part II.”***
Full Testimony of Louisiana Gov. John Bel Edwards
April 5, 2017

As prepared for delivery

Chairman Chaffetz, Ranking Member Cummings, Members of the Committee:

Good morning, and thank you for the opportunity to be here today.

What you are doing here today—working to get down to the specifics of exactly how to improve and speed up the way the federal government responds to natural disasters—can provide immediate help not only to the people of Louisiana, but can also help citizens of every state for years to come. Natural disasters know no party, income or political boundaries.

Back in September of 2016, I testified before the Subcommittee on Transportation and Public Assets regarding the immediate response to the historic floods that hit Louisiana in August. Since that time, the Louisiana congressional delegation and I have worked with you and your colleagues to discuss what it will take to give the people of Louisiana a full recovery. These conversations have been extremely productive, and I am grateful for the time this committee has taken to visit Louisiana to better understand the challenges we are facing.

Understanding just how widespread the destruction was and how many people, businesses and communities were affected from two historic floods is critical to any conversation about recovery and where we go from here. But just as important, is an understanding about how federal regulations limit, slow down, and in many cases, have hindered our ability to get the assistance we need for the people of Louisiana.

CDBG dollars can take 8, 10, or even 12 months or more to get to families struggling to rebuild. FEMA Manufactured Housing Units take far too long and cost far too much. Middle income families are penalized and delayed in their recovery under CDBG income limits that do not correspond to the way floods batter communities. Expensive environmental reviews slow construction and waste money. SBA loans are offered as the only immediate solution for

families determined to rebuild quickly, and then, are counted as an identical benefit to CDBG grants.

And it's not just these floods in Louisiana; these are all problems that repeat in disaster after disaster. If you haven't seen them surface in your district, I hope you never have to, but statistics say you probably will.

When we talk about last year's flooding in Louisiana, you all know it as the historic flood in August. But, last March, much of the state was also struck by widespread flooding that impacted nearly every corner of Louisiana. Together, these floods were the fourth most costly flood event in United States History.

In fact, since I took office as governor last year, 57 of Louisiana's 64 parishes have received federal disaster declarations – many parishes being hit more than once. Those parishes account for 85 percent of the entire population of Louisiana. The waters may have long since receded, but their mark remains in living rooms and schools and mom and pop shops around the state.

As governor, one of the most painful realities of a disaster, second only to watching your people suffer, is knowing that getting help directly to the people impacted can never come fast enough and it is never enough. Many families and businesses have lost everything. The reality we have faced in Louisiana is that many of the challenges that plagued the recovery from Hurricane Katrina still cause problems today – a bureaucracy designed to help in emergencies is, in fact, one of the greatest obstacles.

We have worked around the clock to act as quickly as possible within the parameters set by federal regulations. We have beaten every deadline assigned to our state in the process of bringing home Community Development Block Grant funds, and yet still, we know there are improvements we can make, which is why I am here today.

There are lessons to be learned from every disaster. You have specifically asked me to talk to you about Shelter At Home.

After Hurricane Katrina, we saw entire communities turn into ghost towns. St. Bernard Parish, a suburb of New Orleans, lost more than half its population. Families were broken apart, businesses closed without customers to sell to, and there were far too many students and teachers who never returned to their classrooms.

After last year's flooding, it was important to us that we didn't let that happen again.

We looked to the programs utilized around the country and the lessons learned from other devastating events, such as Superstorm Sandy. Keeping in mind our goal of piecing

communities back together, coupled with the fact that our hotels and rental units were also severely damaged by the flood, we studied New York's Sheltering and Temporary Essential Power Pilot Program. We decided that a restructuring of this program was the most responsive way to prevent repeating what happened during Hurricane Katrina.

Together with FEMA and in consultation with the Department of Homeland Security's Office of Inspector General, we developed our own innovative housing program with the objective of getting families back into their homes faster and promoting community resilience. Our restructuring included: excluding commercial properties, incorporating more control measures to minimize cost increases per residence, and utilizing a neutral program manager that tasked the contractors with a specific scope of work and inspected the completed work.

Shelter at Home was also the most cost effective temporary housing option available. Families that are able to shelter in their home are much more likely to make permanent repairs to that home; and in a timelier manner. The only viable alternative to the Shelter at Home Program was to put thousands of displaced families into hotels, mostly outside of their hometowns and at a much greater cost. It would have cost us roughly \$40 million per month to house in hotels the 11,000 families who used Shelter At Home.

However, we encountered numerous roadblocks within the federal process that limited the assistance we were able to provide to homeowners.

The first major roadblock dealt with were the repairs we were allowed to make. For instance, there are certain things that make a home look and feel like a home that were not permitted under federal guidelines. While the program was never intended to transform a home back to its original state, the fact that we were strictly limited to only temporary work left the home's appearance with much to be desired. Expectations, understandably, were often far above the FEMA restrictions we were bound by.

In the beginning, we asked FEMA for permission to expand the program and install sheetrock in the homes' exterior walls. People in neighborhood after neighborhood asked us for that, so we asked FEMA, but our request was denied because FEMA dollars can only be spent on temporary work, we were told. You can help us with this.

Additionally, the gap in federal recovery is the frustrating period between the mass shelter and the day the state receives the federal money to open the homeowner rebuilding assistance program. It is every governor's, every mayor's, every legislator's and – we trust – every congressman's goal to expedite that process. You can help in that endeavor by removing federal hurdles. If a disaster occurred today creating a major housing crisis, a program such as Shelter at Home is still the most responsive means of addressing large scale housing shortfalls. By

removing the duplication of benefits language in 42 U.S.C. and incorporating the Sheltering and Temporary Essential Power Pilot Program into FEMA regulation under the Public Assistance Program, Category B, you will assist states and communities in meeting disaster specific needs.

In closing, these are just a few examples of roadblocks we encountered in Louisiana and solutions that could help. I look forward to having this conversation with you all today.

Thank you for your time.

SAH limitations by the Stafford Act (and implementing Federal Regulations)

BLUF: SAH was an attempt by FEMA to solve a major housing crisis by creating a program that does not currently exist in the confines of the Stafford Act and subsequent Federal Regulations. FEMA regulations do not have a good interim housing solution.

FEMA assistance is either under Individual Assistance, Public Assistance or Hazard Mitigation.

If temporary repair work to homes is done under Individual assistance (44 CFR 206.101) then the amount needed comes out under the \$33,000 cap. Additionally, it puts the burden on the homeowner to arrange, contract, and monitor for construction work. It is also a lengthy process.

Homeowners benefit by having FEMA allow home repairs under Public Assistance because it is outside and in addition to the IA household cap.

The only category of work under Public Assistance that allows for SAH type work is Category B (Emergency Protective Measures).

However, as currently written in the Stafford, FEMA is legally prohibited from duplicating benefits (Stafford Act 312, 42 USC § 5155, 2 CFR 200.406). This includes duplication of benefits between FEMA programs such as IA and PA and also insurance proceeds.

Because many residents are either getting NFIP proceeds or IA, if the work appears to be duplicative then money could be deobligated from the homeowner, and cause long term financial harm.

Proposed solutions:

Option 1: Expand the IA program. Increase the cap. Change Individual assistance in 44 CFR 206.101(g)(4) to create STEP/SAH as an additional benefit that would increase overall IA benefits. Also, increase the speed this particular program is turned on by using a hardware store voucher do-it-yourself program that allows maximum use of dollars expended and control of homeowners to assess individual needs.

Option 2: Write in a new Category of work into the Public Assistance Emergency work section that allows for Emergency Repairs that does not conflict with IA. Amend the Stafford Act 312, to clarify an exception that STEP/SAH is not duplicative to other federal benefits due to the necessity of immediate sheltering needs.

Sample language for (42 U.S.C. 5155):

(a) General prohibition

The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.

(b) Special rules

(1) Limitation

This section shall not prohibit the provision of Federal assistance to a person who is or may be entitled to receive benefits for the same purposes from another source if such person has not received such other benefits by the time of application for Federal assistance and if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance.

(2) Procedures

The President shall establish such procedures as the President considers necessary to ensure uniformity in preventing duplication of benefits.

(3) Effect of partial benefits

Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided.

(4) Exception

Receipt of benefits from disaster assistance provided by the President through an Emergency or Major Disaster declaration through States and local government for limited interim housing and sheltering needs shall not be considered as a duplication of benefits with any other Federal assistance due to the emergency circumstance in which sheltering is required.

(c) Recovery of duplicative benefits

A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The agency which provided the duplicative assistance shall collect such duplicative assistance from the recipient in accordance with [chapter 37 of title 31](#) relating to debt collection, when the head of such agency considers it to be in the best interest of the Federal Government.

(d) Assistance not income

Federal major disaster and emergency assistance provided to individuals and families under this chapter, and comparable disaster assistance provided by States, local governments, and disaster assistance organizations, shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs.

Office of the Governor
State of Louisiana

JOHN BEL EDWARDS
GOVERNOR



P.O. Box 94004
BATON ROUGE, LOUISIANA 70804-9004
(225) 342-7015
GOV.LA.GOV

February 2, 2017

The Honorable Bill Cassidy
United States Senate
703 Hart Senate Office Building
Washington, D.C. 20515

The Honorable John Kennedy
United States Senate
SRB11, Russell Senate Building
Washington, D.C. 20515

The Honorable Steve Scalise
United States House of Representatives
2338 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Cedric Richmond
United States House of Representatives
240 Cannon House Office Building
Washington, D.C. 20515

The Honorable Clay Higgins
United States House of Representatives
1711 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mike Johnson
United States House of Representatives
327 Cannon House Office Building
Washington, D.C. 20515

The Honorable Ralph Abraham
United States House of Representatives
417 Cannon House Office Building
Washington, D.C. 20515

The Honorable Garret Graves
United States House of Representatives
430 Cannon House Office Building
Washington, D.C. 20515

Dear Senators and Representatives:

Thank you once again for your leadership in helping Louisiana secure a total of \$1.6 billion in Community Development Block Grant (CDBG) funding for Louisiana families impacted by the March and August floods. I am looking forward to meeting with you and your staffs on the afternoon of February 8th to continue this partnership for the people of our state who have been impacted by these disasters.

As you are aware, the Restore Louisiana Task Force has approved a recovery program for the entire \$1.6 billion. We believe this plan will not only serve low- and moderate-income families with members who are elderly or living with disabilities, but will also expand to serve, at least partially, all flooded families who did not have flood insurance and who sustained major

Congressional Delegation
 February 2, 2017
 Page 2

or severe damage as determined by FEMA (more than 1 foot of flooding, and more than \$8,000 of damage to the home).

We are also including in this proposed Action Plan Amendment a provision for 100% reimbursement for those families with major or severe damage, without flood insurance, who are low- and moderate-income and the applicant is 62 or older or they have someone with a disability living in the household, who have already rebuilt their homes. For the rest of families with major or severe damage without flood insurance, we are providing for 25% reimbursement of pre-program expenditures, knowing that we still desire to provide additional reimbursement for these families. We would further like to expand that reimbursement so that middle-income families and others who are helping to lead this rebuilding process will be served more fully as well.

However, as the *attached needs chart* demonstrates, we remain more than \$2 billion short in our appropriations request of Congress for this recovery. The two unnamed floods of March and August of 2016 devastated 193,000 families in 56 of our 64 parishes here in Louisiana – and we are, again, seeking your help in communicating the urgency and serious nature of the remaining need to the new administration and to your colleagues in Congress.

REMAINING FUNDING REQUESTS

The remaining need of our \$3.73 billion CDBG ask of Congress totals **\$2.08 billion**, and is currently divided in our state's proposed action plan as follows:

- \$1.344 billion in additional Homeowner Assistance funding (so far, \$1.323 billion allocated, or 80% of total current appropriations) to fill remaining unmet needs:
 - Reimburse more than 25% of costs expended prior to program engagement
 - Providing 100% assistance to those with household incomes greater than 120% of Average Median Income
 - Providing assistance to those who had flood insurance, but still have an unmet need
 - Providing assistance to those who had less than major or severe damage
- \$80 million in Rental/Homeless/PHA (\$100 million allocated)
- \$58 million in Business/Agriculture (\$62 million allocated)
- \$600 million in funding for Infrastructure Enhancement (so far, Congress has not approved adequate funding for measures to reduce the effects of future disasters, a necessity to protect the ongoing recovery investments being made and normally part of any recovery allocation.)

Congressional Delegation
 February 2, 2017
 Page 3

In addition, our outstanding requests for the following separate funding amounts are necessary to strengthen and protect our families as they rebuild:

- \$125 million in Comite River Diversion Project funding
- \$86 million in Social Services Block Grant funding through the U.S. Department of Health and Human Services.

We would ask that you continue to work with us to secure the necessary assistance in the next appropriations bill Congress considers.

FEDERAL LAW AND REGULATION FIXES

Next, I am specifically requesting your help to improve the Stafford Act and assist in the following critical fixes to the referenced federal laws, rules and regulations that are making it difficult for the people of Louisiana to recover in a timely manner.

These are specific fixes that will make an immediate and lasting difference for Louisiana families. Some of these fixes are not without precedent which could assist in generating support in Congress. Others are improvements to federal law that will help not only Louisiana families, but also those families around the country who are similarly slowed in recovering from other natural disasters by these same cumbersome federal regulations.

STATUTORY/LEGISLATIVE REQUESTS

- Appropriations Language is needed to allow HUD to waive site-specific Environment Review Requirement (ERR, a HUD NEPA compliance requirement) for single family home rehabilitation:
 - A site-specific ERR could cost as much as \$3,500 per inspection, unnecessary when for many homes in rehabilitation (not reconstruction), the home's footprint will not change.
 - We are requesting that you include the *attached appropriations language permitting HUD to waive the costly, unnecessary ERR requirement* in the cases of these single-family homes. See also the *attached ERR response letter from HUD*, following my October 2016 request to HUD.
- Small Business Administration (SBA) Loan Forgiveness Program for disaster recovery loans, or alternatively, include language in additional appropriations or other congressional act directing that Duplications of Benefits language in the Stafford Act (and therefore in subsequent federal regulations carried out by HUD and FEMA) will not penalize Louisiana families who were approved for SBA loans.

Congressional Delegation
February 2, 2017
Page 4

- We want CDBG funding to be able to assist families who either received or were approved for SBA loans. At certain points in the FEMA Individual Assistance application process, FEMA directed many families to apply for SBA loans.
- Due to the low dollar amount provided by the FEMA Individual Assistance program for permanent rebuilding, for many who have progressed further in rebuilding by now than others, SBA loans became the shortest route to rebuilding.
- Now these families are facing being penalized when it comes to receiving CDBG dollars because these funds are not allowed to be used to pay off SBA loans under current law.
- We would suggest two possible fixes:
 - Preferred Route: Create an SBA Loan Forgiveness Program, if this is more viable on the federal level than applying eligible CDBG amounts under the state's homeowner assistance program to forgive SBA loans; *OR*
 - Include the *attached proposed duplication of benefits language* in an appropriations bill to cover the appropriations approved for Louisiana's March and August 2016 floods disaster recovery programs.
- Legislative Language Specifically Waiving the NFIP \$500,000-per-building Deduction for School Campuses. (See *attached NFIP language* used to waive this deduction specifically after Hurricanes Katrina/Rita).

REGULATORY WAIVER REQUESTS

- Request for HUD waiver lowering the requirement that 70% of CDBG dollars benefit low- to moderate-income (LMI) families to 50%.
 - See *attached Office of Community Development 2-1-17 letter to HUD, requesting technical assistance to effect this LMI waiver soon*, for benefit now of soon-to-be-opened homeowner assistance program.
- Remove HUD limitation on reimbursing eligible pre-application costs of homeowners and business owners only for rebuilding work completed during the first year after the date of the disaster.
 - Of immediate particular concern are those flood survivors from the March 2016 flood, as the homeowner, rental and small business assistance programs await HUD approval prior to opening the programs.
 - HUD has placed this one year reimbursement limitation in its Federal Register Notice, so we are asking HUD for an extension of the period to two years to provide homeowners and businesses the opportunity to be reimbursed for work done before we get our programs up and running.

Congressional Delegation
February 2, 2017
Page 5

(See attached Office of Community Development 1-31-17 written extension request letter to HUD).

MORTGAGE GUIDELINE REFORMS

Finally, we would like your help in addressing how Fannie Mae and Freddie Mac servicing guidelines appear to be slowing Louisiana homeowners' receipt of their NFIP flood insurance proceeds checks when these homeowners want to rebuild their homes themselves, rather than hire an outside licensed contractor.

Typically, banks and mortgage companies act as the servicing companies for mortgages that have been sold to Fannie Mae, Freddie Mac (government-sponsored enterprises, or GSEs, which are in essence financial services corporations created by Congress) and Ginnie Mae (FHA, VA and USDA loan programs). Banks and mortgage companies servicing these Fannie Mae and Freddie Mac mortgages are bound by the GSE servicing guidelines. Mortgage companies that are servicing Ginnie Mae loans generally follow the GSE servicing guidelines.

Under these GSE guidelines, when a Fannie Mae, Freddie Mac and Ginnie Mae mortgage loan is current or less than 31 days delinquent, and the NFIP proceeds check is less than \$40,000, the bank/mortgage company servicing the loan may determine *if* the homeowner is required to use a licensed contractor. If the insurance proceeds check is greater than \$40,000 on a current loan, GSE guidelines say a bank/mortgage company *must ensure* that a licensed contractor is used. For mortgage loans delinquent by 31 days or more (even if on an approved forbearance plan), the bank/mortgage company *must ensure* a licensed contractor is used.

Additionally, Fannie Mae, Freddie Mac and HUD requirements make banks and mortgage companies servicing those mortgage loans require that resourceful Louisiana homeowners hire a licensed contractor in order for the lender to release flood insurance (NFIP) proceeds. This is despite Louisiana law that does not require a licensed contractor for work under \$75,000 (except in specific electric and structural requirements).

It is essential that we work together with Congress to rectify these federal policies and procedures that continue daily to slow the pace of recovery for our people. I am asking you to assist our state in any way you can to bring relief on these mortgage recovery hurdles for our citizens.

Congressional Delegation
February 2, 2017
Page 6

Thank you again for your continued and sustained efforts in this recovery. I am honored to be able to work with each of you, and look forward to seeing you next week in Washington.

With kindest personal regards,



John Bel Edwards
Governor

attachment

\$3.73B CDBG Request for the Historic 2016 Flooding in Louisiana

\$1.65B received, leaving \$2.08B in unmet need

REMAINING NEEDS

\$1,344,106,880 Homeowner	\$80,000,000 Rental	\$58,000,000 Bus & Agric.	\$600,000,000 Infrastructure
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Additional Needs



Social Service Block Grant (SSBG) - \$92 million funding request

SSBG is a flexible funding source through the US Department of Health and Human Services that provides for essential health and social services needs that have arisen from the devastating impacts of the floods of 2016.

The services such funding supports include services which help: reduce dependency and promote self-sufficiency; protect children and adults from neglect, abuse and exploitation; and help individuals who are unable to take care of themselves to stay in their homes or to secure admission or referral to the most appropriate institutional arrangements, when other forms of care are not appropriate.

The State of Louisiana has requested SSBG dollars to address the diverse needs of the children and families who have been impacted by the flood and to help support the health and social services agencies that had served these families before they themselves were devastated by the flood.

Resources are needed for child abuse prevention, mental health and behavioral health services to stabilize families traumatized by the floods and to prevent the further displacement of children from their families, as well as to prevent families from being split apart due to the expected continual increase in family violence.

Resources are further needed to address the loss in, and increased need for: after-school programming, child care slots and community programs that have been eradicated or reduced due to the floods.

Resources are needed for the developmentally disabled who have an increased need for supports, such as: respite services, personal care attendant services, equipment, and housing modifications.

In these months following flood-impacted families' return to their homes, jobs, schools and community, these families' recovery and resiliency relies heavily on continued and renewed access to supportive services. With thousands not yet recovered, these supports remain critical. Left unaided after natural disasters like the March and August 2016 floods, the increases in family violence, child abuse, mental health trauma, substance abuse, and the need for special supports for the developmentally disabled will inhibit the full recovery of our citizens. There is no greater natural resource in Louisiana than its people.

Proposed language on ERR:**(Highlighted language is change from standard)**

Provided further, That in administering the funds under this heading, the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, and labor standards) upon a request by the State that such waiver is required to facilitate the use of such funds or guarantees, and a finding by the Secretary that such waiver would not be inconsistent with the overall purpose of the statute, as modified; any waiver with respect to statutory environmental clearance requirements shall be limited to repair or rehabilitation of single family residential structures and shall not waive construction standards for improvements in areas delineated as special flood hazard areas. The waiver authority under this provision shall extend to the appropriation to the Community Development Fund through Section 145 of the Continuing Appropriations Act, 2017, Public Law No: 114-223 and through Section 192 of the Further Continuing Appropriations Act, 2017, Public Law 114-254.

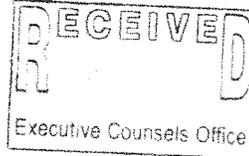


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

ASSISTANT SECRETARY FOR CONGRESSIONAL
AND INTERGOVERNMENTAL RELATIONS

NOV 2 1 2016

The Honorable John Bel Edwards
Governor of Louisiana
P.O. Box 94004
Baton Rouge, LA 70804-9004



Dear Governor Edwards:

On behalf of Secretary Julián Castro, thank you for your letter about the *National Environmental Policy Act* (NEPA) compliance and Community Development Block Grant disaster recovery (CDBG-DR) funding. The following information is from the Department of Housing and Urban Development's (HUD) Office of Environment and Energy.

Your letter requests HUD's flexibility with respect to environmental review requirements. The concerns outlined in your letter pertain to the high costs of site-specific environmental inspections, and you suggested a possible solution would be using the regulatory exemption for imminent threat under HUD's environmental regulations at Section 58.34(a)(10) of Title 24 of the Code of Federal Regulations. While the average cost of site-specific environmental inspections is \$3,500, that cost includes lead-based paint and asbestos testing and remediation costs and these items are outside the scope of the environmental review process. However, it is recognized that the scope of the flooding does place significant burden on the State's resources with respect to NEPA compliance. To that end, HUD will work closely with the State to identify ways to increase the efficiency of environmental reviews and to identify flexibility to reduce the burden and cost of environmental compliance where available while remaining compliant with NEPA and HUD regulations.

With respect to the proposed solution related to Section 58.34 of Title 24 of the Code of Federal Regulations, under HUD's interpretation of Section 58.34(a)(10), to be eligible for the exemption provided, the responsible entity must document the presence of certain conditions that justify the determination of the exemption. The following three conditions must be met:

1. The activities "do not alter environmental conditions" including any of the following: The activity does not: (i) affect significant elements of properties listed on or eligible for listing on the National Register of Historic Places, either per consultation with the State Historic Preservation Officer or per a determination under Section 800.3(a)(1) of Title 36 of the Code of Federal Regulations that the undertaking is a type of activity that does not have the potential to cause effects on historic properties assuming that historic properties are present; (ii) replace, either through rebuilding or major rehabilitation, structures within a floodplain (Special Flood Hazard Area) as determined by the most recent FEMA maps or FIRM that would require additional elevation or other changes; (iii) involve an inappropriate occupancy of a known hazardous site or of a site contiguous to a known hazardous

FAXED

site; (iv) involve work on sites that could adversely impact the known critical habitat of endangered species; or (v) alter a building's footprint.

The activities are "limited to protection, repair, or restoration activities necessary to control or arrest the effects." The activity does not include new additions, relocation, or enlargements, or changes to the primary use or density of occupancy; and includes work that (i) provides temporary protection from further damage to a building or structure, or that makes permanent repairs to a damaged building or structure; or (ii) is for restoration of essential community services and related utilities and facilities to their condition prior to the disaster without significant change in size or capacity.

3. The activities are necessary "only to control or arrest the effects from disaster or imminent threats to public safety including those resulting from physical deterioration." Disasters are state or federally declared disasters. An imminent threat to public safety is a threat to the general public outside the building who may be harmed by the collapse of the building. Condemnation for occupancy of a building is inadequate to demonstrate an imminent threat to public safety because it does not demonstrate a harm to the general public outside of the building.

HUD will work closely with the State to help determine how the State can use Section 58.34(a)(10); however, its use is fairly narrow. HUD suggests the State consider an alternative approach that would enable the State to avoid a site-specific review and public notice requirements for most projects by designing a minor rehabilitation program to fund limited activities that would not affect any environmental resources.

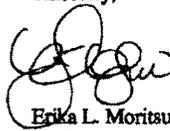
The Department recently had the opportunity to participate in a productive conference call with Louisiana's Office of Community Development to address the concerns identified in your letter. HUD is providing on-site Technical Assistance to the State of Louisiana the week of November 14-18, 2016, focusing on helping to develop a programmatic environmental review for a minor rehabilitation program. HUD will continue to work with the State and the State Historic Preservation Office to explore all available options to limit the requirement for site-specific environmental reviews. In addition, HUD will share how to apply lessons learned and best practices that were developed and used in Hurricane Sandy recovery to streamline and reduce the costs of environmental reviews.

Finally, the Department understands the urgent need that the State of Louisiana is facing in recovering from flooding events in 2016. The value and purpose of the environmental review process is to ensure that residents are safe, and that their homes are free of any adverse environmental conditions. Furthermore, the environmental review ensures that in the Special Flood Hazard Area, houses with substantial damage are elevated or otherwise protected from future flooding.

The Department looks forward to working with you to ensure that the State is able to help residents recover and ensure that the environmental review process is appropriately tailored to achieve the most expedient process possible.

Thank you for your interest in the Department's programs. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erika L. Moritsugu', with a stylized flourish at the end.

Erika L. Moritsugu
Assistant Secretary for Congressional
and Intergovernmental Relations

Proposed language on DOB**(Highlighted language is change from standard)**

Provided further, That as a condition of making any grant, the Secretary shall certify in advance that such grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), to ensure timely expenditure of funds, to maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds; such grantee's duplication of benefits processes may (1) allow recipients of Small Business Administration Disaster loans for disaster-related damage to be eligible for reimbursement for documented repair, rehabilitation or eligible mitigation work performed on their home as a result of such damage, in which event the reimbursement shall be made directly to the Small Business Administration on behalf of the eligible homeowner for the purpose of reducing the homeowner's outstanding debt obligation to the Small Business Administration for such loan proceeds, and any remaining reimbursement paid directly to the homeowner; (2) require donations of labor or materials from volunteer or philanthropic organizations for the benefit of a homeowner constitute a duplication of benefits only to the extent the value of such labor or materials used for that home has been used as to satisfy a matching requirement for any other Federal program.

Provided further, that the preceding proviso shall apply to the appropriation to the Community Development Fund through Section 145 of the Continuing Appropriations Act, 2017, Public Law No. 114-223 and through Section 192 of the Further Continuing Appropriations Act, 2017, Public Law 114-254.

Duplication of Benefits language excerpt from 11-21-17 Federal Register Notice (page 83,267) for Louisiana's first CDBG appropriation through HUD (\$438 million):

21. Duplication of benefits. Section 312 of the Stafford Act, as amended, generally prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which such person, business concern, or other entity has received financial assistance under any other program or from insurance or any other source. To comply with Section 312 and the limitation on the use of CDBG-DR funds under the Appropriations Act for necessary expenses, each grantee must ensure that each activity provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met. Grantees are subject to the requirements of a separate notice

Comment [DARL]: Source: PUBLIC LAW 113-74-DEC 23, 2011 for HMGF/SBA debt process

explaining the duplication of benefit requirements (76 FR 71060, published November 16, 2011). As a reminder, and as noted in the November 16, 2011, notice, in paragraph B of section VI, CDBG-DR funds may not be used to pay an SBA home or business loan. Additionally, this notice does not require households and businesses to apply for SBA assistance prior to applying for CDBG-DR assistance. However, CDBG-DR grantees may institute such a requirement in order to target assistance to households and businesses with the greatest need. In addition to the requirements described here and in the November 16, 2011 notice, grantees must comply with HUD's guidance published on July 25, 2013, "HUD Guidance on Duplication of Benefits and CDBG Disaster Recovery (DR) Assistance," as amended, in regards to declined SBA loans ([https:// www.hudexchange.info/resource/3137/ cdbg-dr-duplication-of-benefitrequirements-and-provision-ofassistance-with-sba-funds/](https://www.hudexchange.info/resource/3137/cdbg-dr-duplication-of-benefitrequirements-and-provision-ofassistance-with-sba-funds/)).

NFIP Deduction Language

Sec 406(d) of the Stafford Act requires a \$500K reduction to facilities that are in a SFHA that did not maintain flood insurance. For Katrina/Rita, in the 2008 Consolidated Appropriations Act, we added a provision that limited that deduction for educational facilities to one reduction per campus.

Previously, for example, if a school had four (4) buildings on a campus, each would be subject to the \$500k deduction.

The language in the 2008 Act was specific to Katrina/Rita. We are recommending that the same be done for our two most recent floods (DR-4263 and DR-4277).

The specific legislative language read as follows:

“Provided further, That section 406(d) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act shall not apply to more than one facility on a school site impacted by Hurricanes Katrina or Rita.”

Office of Community Development
Disaster Recovery Unit
State of Louisiana
 Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

February 1, 2017

Mr. Stanley Gimont
Director
Office of Block Grant Assistance
U.S. Department of Housing and Urban Development
451 7th Street, S.W., Room 7178
Washington, D.C. 20410-7000

Dear Mr. Gimont:

The purpose of this letter is to request technical assistance regarding a Secretarial waiver of regulations under P.L. 114-223 and P.L. 114-254, as well as any forthcoming appropriations, to reduce the overall benefit requirement of seventy percent (70%) for low- and moderate-income persons/families to fifty percent (50%), as has previously been granted to Louisiana for disasters impacting the state, including hurricanes Katrina, Rita, Gustav, Ike, and Isaac, as well as states in the Northeast impacted by Superstorm Sandy.

Based on conversations with HUD staff, and on review of other states that have made this type of waiver request, the State of Louisiana is requesting this technical assistance and guidance from HUD on substantiating the request for a Secretarial waiver of the statute governing the low- and moderate-income expenditure provisions. The state believes it has practical and rational justification to support this waiver request at the outset of its programs.

As a matter of historical fact, in the February 13, 2006 Federal Register, the Secretary of HUD granted a fifty percent (50%) low- and moderate-income waiver for hurricanes Katrina and Rita, writing, "since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the seventy percent (70%) overall benefit requirement, leaving the fifty percent (50%) requirement, to give grantees greater flexibility to carry out recovery activities." The same rationale holds true for the Great Floods of 2016.

The Great Floods in March and August 2016 impacted communities in 56 of Louisiana's 64 parishes, 10 of which have been determined by HUD to be the "most impacted and distressed." As in previous Louisiana disasters since 2005, citizens of all incomes were impacted by the flood events, many of whom did not live in a designated floodplain and, consequently, were not required or expected to carry flood insurance. Of the 57,600 homeowners who suffered Major or Severe damage in the Great Floods of 2016, forty-four percent (44%) were low- and moderate-income.

In response to the 2016 flooding, the state intends to administer a Homeowner Rehabilitation and Reconstruction Program to address the unmet needs of all flood victims. However, at this time, allocated Community Development Block Grant Disaster Recovery funding is not sufficient to fulfill all unmet needs of all homeowners. As a result, the state is initially targeting those households both in and out of a floodplain with major/severe damages and no flood insurance, a total of approximately 36,510 households. Fifty-three percent (53%) of the affected households are low- and moderate-income.

Currently, the state is allocating \$1.32 billion of its \$1.65 billion in allocations, or eighty percent (80%), towards its homeowner program. Of that amount, the state estimates that a total of sixty-five percent of the funds (65%) will be for the benefit of low- and moderate-income households. For prospective work to be completed on homeowners' homes, the state intends to cover 100 percent of all repair costs for those households earning up to 120 percent of the area median income, and fifty percent (50%) of the repair costs for those households earning over 120 percent of the area median income. While this approach does not meet all unmet needs, it places a priority within the program on ensuring that all eligible low- and moderate-income households are fully served and are able to move back to completed homes. This strategy encourages non- low- and moderate-income families of higher incomes to leverage personal or private funds with limited CDBG-DR funds; in most cases this infusion of CDBG-DR assistance will be critical for homeowners to complete their rehabilitation.

In providing technical assistance to the state for this request, it is necessary to look at the overall impact the 2016 floods had on communities. In the floods, entire communities were affected and in order to ensure entire communities are able to recover and rebuild, it is imperative unmet needs are addressed in a holistic manner. Failure to do so will likely result in unintended consequences such as partially rehabilitated neighborhoods, departure of Louisiana residents unable to find other means to fill their funding gaps, increased foreclosure rates and lower tax base and revenues for local governments, resulting in fewer public services for all community residents. Assistance to non- low- and moderate-income households is absolutely essential in helping the impacted communities recover in a holistic manner.

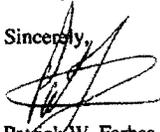
Louisiana has first-hand experience with assessing the positive results of serving non- low- and moderate-income populations as part of its recovery strategy. CDBG-DR assistance provided to non- low- and moderate-income homeowners was critical to the recovery of the City of New Orleans and southern Louisiana following hurricanes Katrina and Rita, since citizens there decided to rebuild their homes and stay in their neighborhoods or elsewhere in the state. For the Great Floods of 2016, it is essential that the state have the flexibility to use CDBG-DR funds in a similar manner, to achieve similar results.

Based on the above information, the state believes it can make the necessary case that this waiver be granted now, during the design of programs, rather than at a later date. Added benefits to providing a waiver at the front-end of program design include the control of program delivery expenses that increase whenever program policies change once a program is underway, and ensuring implementation of programs will not be interrupted. Furthermore, communicating the long-term recovery strategy from the outset of the program will provide the public with the full knowledge of how the state's recovery plan will impact them. For many families, the state's policies will be factored into their financial decisions for their personal flood recovery plans.

As always, we appreciate the partnership and guidance provided by HUD as Louisiana continues to recover from the Great Floods of 2016. We believe a perfect opportunity for this Technical Assistance request is during HUD's forthcoming monitoring visit of our agency, set for February 13 – 17, 2017. HUD staff will be on-site monitoring existing grants, and an extensive review of data surrounding this request would be both timely and tremendously beneficial.

I trust that you will give this request for technical assistance every appropriate consideration, and know that if you need any additional information in support of the request, do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick W. Forbes', written over a horizontal line.

Patrick W. Forbes, P.E.
Executive Director

Office of Community Development
Disaster Recovery Unit
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

January 31, 2017

Mr. Stanley Gimont
Director
Office of Block Grant Assistance
U.S. Department of Housing and Urban Development
451 7th Street, S.W., Room 7178
Washington, D.C. 20410-7000

Dear Mr. Gimont:

The purpose of this letter is to request a written extension to the one year limitation of eligible pre-application costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures, per HUD guidance in CPD Notice 2015-07.

By this letter, the state is formally requesting a written 12-month extension to the one year limitation of eligible pre-applications costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures.

HUD CPD Notice 2015-07 states, "Grantees may charge to CDBG-DR grants the eligible pre-application costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures, only if the person or private entity incurred the expenses within one year after the date of the disaster and before the date on which the person or entity applies for CDBG-DR assistance. HUD, at the request of a grantee, may provide that grantee with a written extension to this one year limitation, for an amount of time established by HUD. Extensions will be provided on a case-by case basis after the Department has made a determination of good cause based on its examination of the reasons for the request."

Because Louisiana suffered severe flooding in March 2016 – flooding that resulted in Presidential Declarations in 45 of the state's 64 parishes – and because Louisiana's two appropriations to address both the March and August flooding events were appropriated in October and December 2016, the state believes there is sound cause to make this request for a 12-month extension of the one-year limitation.

As an example, it would be difficult to explain the practical rationale to a homeowner or business owner who flooded in March 2016 that any work they completed prior to application would only be eligible for reimbursement up to March 8, 2017 (one year after the start date of the flood event), but that any work performed after March 8, 2017 would be ineligible for reimbursement, when CDBG-DR funding was not appropriated by Congress until October 2016 and programs were not available to homeowners or businesses until after March 2017. Clearly, homeowners and business owners making decisions to rebuild are basing those decisions on their actual moment-in-time financial situations, rather than the date of the storm. The one-year limitation could have the unintended consequence of encouraging those in the process of rebuilding to put their efforts on hold until program funds become available.

Further support for this request is the fact that because of the extraordinary nature of the August 2016 floods, many people and private entities affected by the March 2016 floods have not had adequate opportunity for even short-term recovery. In effect, the impact of floods on top of floods has caused such disruption and delay for everyone in the state that it would be both equitable and reflective of the practical realities of consecutive floods to allow an extension of time in our case.

Pursuant to the good cause set forth above, the state respectfully asks HUD to grant a 12-month extension of the one year limitation of CPD Notice 2015-07, such that the time limitation is extended through March 2018 (one full additional year), applicable to both those recovering from the March 2016 and the August 2016 floods. Should application be made to the program prior to March 2018, the limitation would be from the date of application to the state's program.

As always, we appreciate the partnership and guidance provided by HUD as Louisiana continues to recover from the Great Floods of 2016. I trust that you will give this one-year limitation extension every appropriate consideration. Should you need any additional information in support of this request, do not hesitate to contact me.

Sincerely,



Patrick W. Forbes, P.E.
Executive Director

Kimberly Poorbaugh

From: William Rachal
Sent: Wednesday, March 22, 2017 2:53 PM
To: Kimberly Poorbaugh
Subject: FW: SAH request to expand

From: Stolar, Gerard [Gerard.Stolar@fema.dhs.gov]
Sent: Friday, October 07, 2016 3:49 PM
To: William Rachal
Cc: Robinson, Tony; James Waskom
Subject: RE: SAH request to expand

Will _ Good Afternoon. Acknowledge receipt. We will review and provide feedback.

Gerry

Gerard M. Stolar
Federal Coordinating Officer
FEMA-3376-EM-LA
FEMA-4263-DR-LA
FEMA-4277-DR-LA
gerard.stolar@fema.dhs.gov
Mobile: 940.255.9267

From: William Rachal [mailto:William.Rachal@LA.GOV]
Sent: Friday, October 07, 2016 3:48 PM
To: Stolar, Gerard <Gerard.Stolar@fema.dhs.gov>
Cc: Robinson, Tony <Tony.Robinson@fema.dhs.gov>; James Waskom <James.Waskom@LA.GOV>
Subject: Fwd: SAH request to expand

Gerry please find draft for request to expand. Let me know your thoughts.

Will

Sent from my iPhone

Begin forwarded message:

From: Danielle Aymond <Danielle.Aymond@la.gov>
Date: October 7, 2016 at 3:34:03 PM CDT
To: William Rachal <William.Rachal@LA.GOV>
Subject: SAH request to expand

Will:

Please find attached the current draft of the Request to Expand SAH and two attachments.

Please let me know should you have any questions.

Thank you,

Danielle Aymond

Executive Counsel
Governor's Office of Homeland Security and Emergency Preparedness
225-925-7541
337-515-4127
danielle.aymond@la.gov

From: Jaron Herd
Sent: Friday, October 07, 2016 3:31 PM
To: Danielle Aymond <Danielle.Aymond@la.gov>
Subject: FW: Please prepare for signature

Second time is a charm☺

"Mahalo" for Your Cooperation,

Jaron Herd

***Sr. Admin. Asst. to Executive Counsel, Danielle Aymond
Governor's Office of Homeland Security
& Emergency Preparedness***
Direct line: 225-358-5358
Fax: 225-925-7501
jaron.herd@la.gov

**Governor's Office of Homeland Security
and Emergency Preparedness**
State of Louisiana

JOHN BEL EDWARDS
GOVERNOR



JAMES B. WASKOM
DIRECTOR

DIR-2016-1007-

October 7, 2016

Mr. Gerald Stolar
Federal Coordinating Officer (FCO)
1500 Main Street
Baton Rouge, Louisiana 70802
FEMA-4277-DR-LA

Re: Request to Expand Shelter at Home (SAH)

Dear Mr. Stolar:

On August 29, 2016, the State implemented FEMA's STEP program (State Shelter at Home Program). To date, the program already has over 20,000 applications; however, the State has identified an additional need to further safeguard residents.

The State is requesting FEMA to expand its STEP program based on the specific factual issues facing Louisiana by adding the State's ability to take additional protective measures to protect homeowners. The State contends this will vastly protect the health and welfare of citizens by providing them more protection from the elements and allow for easier de-humidification. These additional protective measures will reduce the probability of mold recurrence, promote energy efficiency, and protect residents from spikes in temperature.

The State believes this change supports an increase in the cap for the program, with an estimated needed increase to \$22,000. (See Attachment 1) The State has done extensive research to bid the costs of labor and materials for these protective measures and find that the current industry standards for an average house would cost between \$5,900 to \$6,400 per home.

Additionally, if approved, this change will require that the program application period be extended. The State is requesting an extension of two weeks (November 1, 2016). An extension is supported by the combination of this expansion, newly implemented

October 7, 2016
Page 2

disability outreach plan, and the recent extension of the Individual Assistance (IA) deadline. This program has been highly successful, well received, and a huge support in the current housing crisis.

The State believes that even with the expansion and extension of the SAH program, SAH is still a costs savings to the State and Federal Government as SAH is the most economical option for safe and habitable housing. Additionally, a safer, more energy efficient program, is more conducive to communities coming back together and supporting the re-building of Louisiana.

If I can provide further information concerning the justification of this request, please contact me at james.waskom@la.gov or (225) 252-2172.

Sincerely,

James B. Waskom
Governor's Authorized Representative

ATTACHMENT 1: Cost Estimates
ATTACHMENT 2: Dry wall Estimates

 **H2Bravo**

Insured: East Baton Rouge
Property: 7389 Florida Blvd
Baton Rouge, LA 70806

Claim Number:	Policy Number:	Type of Loss:
Date of Loss:	Date Received:	
Date Inspected:	Date Entered: 10/5/2016 8:11 AM	
Price List: LABR7X_AUG16		
	Restoration/Service/Remodel	
Estimate: EBR_8EXT		

H2Bravo

**EBR_4'EXT
Main Level**

Main Level

DESCRIPTION	QNTY	REMOVE	REPLACE	TOTAL
1. Batt insulation - 4" - R13 - paper faced	1,643.20 SF	0.00	1.15	1,889.68
2. 1/2" drywall - hung only (no tape or finish)	1,643.20 SF	0.00	2.40	3,943.68
Total: Main Level				5,833.36
Line Item Totals: EBR_4'EXT				5,833.36

Grand Total Areas:

6,195.86 SF Walls	1,748.74 SF Ceiling	7,944.60 SF Walls and Ceiling
1,748.85 SF Floor	194.32 SY Flooring	640.38 LF Floor Perimeter
0.00 SF Long Wall	0.00 SF Short Wall	665.71 LF Ceil. Perimeter
1,748.85 Floor Area	1,897.57 Total Area	6,395.33 Interior Wall Area
2,292.55 Exterior Wall Area	217.41 Exterior Perimeter of Walls	
0.00 Surface Area	0.00 Number of Squares	0.00 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

 **H2Bravo**

Summary for Dwelling

Line Item Total	5,833.36
Replacement Cost Value	<u>\$5,833.36</u>
Net Claim	<u><u>\$5,833.36</u></u>

H2Bravo

Recap by Room

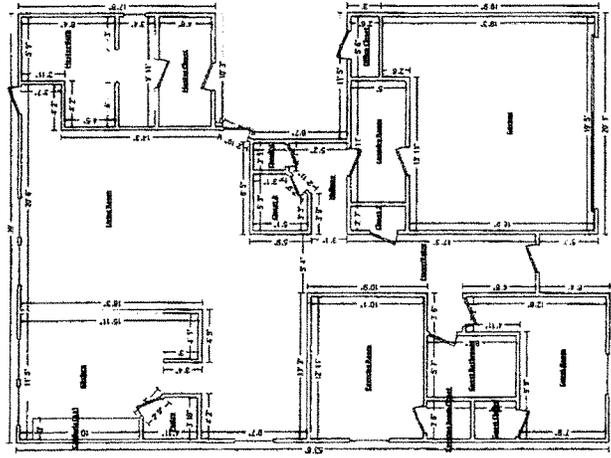
Estimate: EBR_4'EXT

Area: Main Level	5,833.36	100.00%
<hr/>		
Area Subtotal: Main Level	5,833.36	100.00%
<hr/>		
Subtotal of Areas	5,833.36	100.00%
<hr/>		
Total	5,833.36	100.00%

H2Bravo

Recap by Category

<u>Items</u>	<u>Total</u>	<u>%</u>
DRYWALL	3,943.68	67.61%
INSULATION	1,889.68	32.39%
Subtotal	5,833.36	100.00%



Main Level

EBR_SXT

Average estimate Cost	\$ 10,650.08	High Range	8' Sheetrock 1800 SF Home	4" R13 Insulation 1800 SF Home	Total
# Estimates Less than or equal to Average	2,665	\$ 10,650	\$ 3,950	\$ 2,460	\$ 17,060
# Estimates Between \$10,650.09 and \$13,000	1,100	\$ 13,000	\$ 3,950	\$ 2,460	\$ 19,410
# Estimates Between \$13,000.01 and \$15,000	1,621	\$ 15,000	\$ 3,950	\$ 2,460	\$ 21,410
# Estimates Between \$15,000.01 and \$16,500	155				
# Estimates Greater than \$16,500.01	73				
Total Estimates (Initial Insp Thru Oct. 1)	5,614				

Chairman CHAFFETZ. Thanks, Governor.
Mr. Fenton, you are now recognized for 5 minutes.

STATEMENT OF ROBERT J. FENTON, JR.

Mr. FENTON. Good morning, Chairman Chaffetz, Ranking Member Cummings, and members of the committee. I'm Bob Fenton, acting administrator of FEMA. Thank you for inviting me here today to provide an update on our Louisiana recovery operations.

I began my career at FEMA in 1996, and since then have been deployed to more than 50 disasters across the country, some of the largest in the last two decades, including the World Trade Center on 9/11, Hurricane Katrina in Mississippi, and Hurricane Sandy in New York. During my 20 years in this business, I have learned many truths about disasters and helping survivors during and following their worst days.

First, every disaster is different. They have different causes, different consequences, different survivors, different communities, each with varying levels of resiliency that bring their own unique requirements and challenges.

Second, in response to disasters, we can be cost effective, precise, or fast, but we can't be all three. Time is a commodity that I can't replace, but at FEMA we strive to support survivors as quickly and effectively as possible, and are constantly seeking better, more effective ways to serve.

Serving the people of the communities of the United States is what motivates me, the men and women at FEMA, the dedicated professionals working in emergency management across the country.

The historic flooding in Louisiana in August of 2016 dispersed tens of thousands of survivors from their homes. Even though the waters receded, many survivors found their homes completely destroyed and themselves in need of shelter while their communities are rebuilt.

FEMA remains committed to Louisiana recovery. Since August, we have approved more than \$764 million in individual assistance, obligated more than \$325 million of an estimated \$677 million in public assistance. FEMA provided the needed housing to roughly 90 percent of the survivors within 6 months. Communities recover more quickly and completely when survivors find their sense of normalcy post disaster, when kids go to school with their friends, families attend their regular church, and people return to work. By keeping survivors close to their communities, we can help them get back to their lives more quickly and the community recover fully.

When a disaster devastates the entire housing market, including rental and hotel properties, finding housing options close to survivors' homes presents a challenge. Survivors' housing needs are met through a combination of insurance, loans from SBA, and rental or repair systems from FEMA. FEMA's authorities alone will not make survivors whole. And FEMA assistance by itself cannot rebuild a family's home as it was. Our authorities do allow us to make minimal repairs through programs like Shelter at Home to get survivors back into their own home or provide temporary housing through hotels, rental properties, or manufactured home units, also called MHUs.

In providing temporary housing, our preference is to use existing housing stock, which is, more often than not, the most cost effective and efficient way to get people into temporary housing. However, there are occasions when a survivor needs are best met with one of our MHUs. In disasters, a large number of displaced persons and limited availability of rental properties, MHUs fill a critical gap. When MHUs are used, FEMA has an obligation to ensure they are safe and durable. We build MHUs to HUD standards to be deployable to any environment in the United States. We also coordinate with local governments to meet their codes and ordinances and to insure that utilities connect. And finally, we provide a 24/7 maintenance line to survivors at move-in and are available to address any concerns they have about their MHU. We inspect them monthly to ensure they are all well maintained.

However, tragically, in October, Mr. Everett Wilson, one of our disaster survivors, passed a way in a unit we provided. FEMA takes the loss of Mr. Wilson seriously, and I take it personally. I have met with the State director and the Louisiana Governor several times. My first trip after assuming this role was to visit Baton Rouge to see for myself the status of our recovery mission.

As I said when we began, in disaster response, we can't be cost effective, precise, and fast, but that doesn't mean we don't try. Since assuming this role, I have directed our staff to look at new, out-of-the-box solutions to improving our housing program.

At the end of February, we hosted a housing summit to identify and evaluate alternative options, and based on their recommendations, I instructed them to work with academic institutions and industry to identify new innovative solutions to disaster housing. Providing housing for survivors after a disaster is always challenging, but we work every day to find better, more effective ways to accomplish our vital mission and to provide a consistent high level of service to all survivors.

I look forward to working with Congress as we seek better ways to serve the needs of disaster survivors, and I am happy to take any questions you may have at this time.

[Prepared statement of Mr. Fenton follows:]

49

STATEMENT

OF

ROBERT J. FENTON

ACTING ADMINISTRATOR

FEDERAL EMERGENCY MANAGEMENT AGENCY

U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE

THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

“Oversight of the Federal Emergency Management Agency’s Response to the Baton Rouge
Flood Disaster: Part II”

Submitted

By

Federal Emergency Management Agency

500 C Street, SW

Washington, D.C. 20472

April 5, 2017

1

Introduction

Good morning, Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee. I am Bob Fenton, Acting Administrator of the U.S. Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA). Thank you for this opportunity to testify today regarding FEMA's response to the August 2016 flood disaster in Baton Rouge, Louisiana.

Impacts of the Storm Event in Louisiana

In 2016, Louisiana had two historic flood events – occurring in the months of March and August – that resulted in 56 of the state's 64 parishes receiving a federal disaster declaration. Nearly 22,000 households sustained flood damage during the March event, alone, forcing more than 13,000 evacuations and 2,780 rescues. Furthermore, the March floods caused extensive damage to infrastructure and businesses; estimates for damages to roads and bridges totaled more than \$20 million.

In August 2016, an unprecedented seven-trillion gallons of rainwater fell in what the National Weather Service categorized as a once in a millennia event; which does not mean that this rain only happens once every 1,000 years, but rather statistically means that a flood of this magnitude had only a 0.1 percent chance of happening in any given year. The total amount of rainwater was more than four times the amount of water contained in Lake Pontchartrain and resulted in the flooding of more than 91,000 households.

In addition, there were approximately 30,000 search and rescues performed in the month of August, with nearly 11,000 citizens sheltered at the peak of the flood. An estimated thirty (30) state roads washed out and 1,400 bridges required inspection, along with more than 200 highways that closed during the event – sections of Interstates 10 and 12 were closed for several days. All told, the August storm claimed thirteen (13) lives.

FEMA provided leadership and the situational awareness our federal partners needed to anticipate and plan for the short-term, intermediate, and long-term needs of residents and the communities that support them. Expedited damage assessments resulted in a Presidential Disaster declaration on the same day as the Governor's request. The first Individual Assistance grant received approval within two days of the disaster declaration, and within the first week FEMA approved more than \$1 million in National Flood Insurance Program (NFIP) advance payments.

Although FEMA's proactive stance hastened the response, the storm created unique challenges that strained the combined resources of the state, local and federal government agencies supporting the response and recovery efforts.

Whole Community Assistance Provided

Hundreds of volunteers and local responders provided short-term shelter to more than 10,500 displaced survivors at the peak of the flooding, and hundreds more helped to clean up debris and

muck from flood-damaged homes. FEMA and the State of Louisiana supplemented sheltering needs by placing thousands of survivors in hotels and motels. An additional 10,853 households returned to their homes with minimal repairs provided through the state-run shelter-at-home program. Roughly \$1.2 billion in low-interest, SBA loans and \$751 million in grants were provided to survivors to aid with home repairs, rental assistance and other disaster-related needs. To date, FEMA paid \$2.4 billion in National Flood Insurance Program (NFIP) claims.

The severity of the incident proved to be beyond these short- to intermediate-term solutions, and available rental options in and around the affected communities were quickly depleted. The utmost priority is to ensure survivors have a safe, clean and secure place to live. FEMA implemented the Multi-Family Lease and Repair Program to make available additional rental units in the affected areas and approved the state's request for manufactured housing. The disaster situation proved challenging for this housing mission because of the lack of available space for suitable group sites, and FEMA made every effort to keep people with their families and in their communities, resulting in an unprecedented number of manufactured housing units placed directly on disaster survivors' properties.

FEMA Housing Authorities

Legislation resulting from lessons learned has enabled FEMA and the federal government to expand the universe of housing options available to survivors in the wake of a disaster.

Following the devastation of Hurricane Katrina in 2005, FEMA conducted the largest housing operation in our country's history. In addition, the Post-Katrina Emergency Management Reform Act (PKEMRA) provided FEMA with new authorities that have improved outcomes for countless disaster survivors since Hurricane Katrina.

PKEMRA provided clarity to Public Assistance authorities by allowing them to fund temporary housing options that cover the gap between sheltering and the return of survivors to more permanent housing solutions. These expanded authorities included the Transitional Sheltering Assistance program allowing survivors to stay in a hotel or motel temporarily; housing survivors in repaired existing rental units; and, providing a mechanism to perform minimal emergency repairs to enable survivors' homes to serve as shelters until more permanent repairs could be made.

In 2012, FEMA published the Catastrophic Housing Annex to the 2012 Federal Interagency Operations Plan - Hurricane, identifying considerations necessary to implement large scale sheltering and temporary housing options in the most efficient and effective manner possible in the event of a catastrophic disaster.

Hurricane Sandy was the first major use of PKEMRA housing authorities and led to the passage of the Sandy Recovery Improvement Act in 2013 (SRIA). FEMA utilized SRIA's authority during the August floods to lease multifamily rental units and provide them to individuals or households for use as direct temporary housing where cost effective.

FEMA continues to build on lessons learned from recent disasters, such as Hurricanes Sandy. In particular, leveraging new partnerships and collaborations that help build capabilities to meet disaster housing needs.

Housing and Sheltering Solutions

In the aftermath of the 2016 flooding in Louisiana, FEMA has continuously worked with the State of Louisiana to ensure flood survivors get back into their homes or have a safe place to stay while they are repairing and rebuilding. As you know, FEMA disaster assistance is not the primary recovery tool. Survivors rely on insurance and low-interest disaster loans to fully recover. For those individuals and families who are not insured, or who are underinsured, the collective resources of our private-sector, non-profit, faith-based, local and federal assistance programs assist them in getting on the road to recovery. FEMA supports various options available to survivors whose homes were flooded and are now uninhabitable.

- **National Flood Insurance Program (NFIP):** Flood insurance is the best financial protection against the impacts of flooding. FEMA authorizes advance payments to provide expedited relief to insured survivors. Providing early payment of up to 50% of the estimated covered loss allows the policyholder the ability to proceed with recovery efforts while negotiating the proof of loss with the adjuster. To date, the NFIP provided advanced flood insurance payments of more than \$361 million to expedite home repairs for survivors, with \$300 million of these payouts occurring in the first 30 days of the response to the Louisiana floods in August 2016.

FEMA continues to transform the NFIP customer experience through efforts such as simplifying the claims process through improved Proof of Loss and other forms; and, modernizing the underwriting process by building a new risk rating process that will advance our actuarial and underwriting practices.

- **Transitional Sheltering Assistance (TSA) Program:** Under this sheltering initiative, disaster survivors may be eligible to stay in a hotel or motel for a limited period of time and have the cost of the room covered by FEMA under the Public Assistance program. The hotels/motels are directly funded by FEMA. This initiative is intended to provide short-term lodging for eligible disaster survivors whose homes are either uninhabitable or inaccessible due to disaster-related damages. At its peak on August 18, 2016 this form of assistance provided more than 2,900 families with lodging as a short-term sheltering alternative to congregate sheltering.
- **Shelter at Home Program:** This is a State of Louisiana-run program with costs reimbursable as emergency sheltering costs through the Sheltering and Temporary Essential Power (STEP) Pilot, which was authorized for the August flooding under the Public Assistance program. Shelter at Home allows the state to contract for short-term repairs to ensure survivors can shelter in their home safely while completing more permanent repairs to their home. This program has kept residents in their communities and near work, schools, and other local services. As of April 3rd, 10,826 survivors have

had emergency repairs completed on their homes through the Shelter at Home program in Louisiana.

- **Small Business Administration (SBA) Loans:** Through the SBA, homeowners in declared disaster areas were able to borrow up to \$200,000 at an interest rate as low as 1.56 % for a term of up to 30 years, to repair or replace their primary residence, and up to a \$40,000 loan is available for renters/homeowners to replace their contents. To date, the SBA has approved low-interest disaster loans of more than \$1.2 billion to help businesses, private nonprofits and homeowners and renters recover from property and economic losses due to the March and August 2016 flooding in Louisiana.
- **Financial Housing Assistance:** FEMA's Individuals and Households Program offers financial assistance to pay for housing solutions for eligible homeowners and renters.
 - **Rental Assistance:** This form of assistance under the Individuals and Households Program provides financial assistance to pay for short-term rentals for eligible homeowners and renters whose homes are deemed by an inspector to be unlivable or inaccessible due to the disaster. As of April 3rd of this year, FEMA has approved more than \$139 million in Rental Assistance for 66,851 disaster survivors in Louisiana. While FEMA's initial payment to the survivor is for two months of rental assistance, FEMA can continue providing rental assistance if still needed for up to 18 months. For the August flooding in Louisiana, FEMA increased the rental assistance rate to 150% of the HUD Fair Market Rent (FMR) to make additional rental housing available to survivors.
 - Financial housing assistance includes **Home Repair Assistance** for homeowners provided through the Individuals and Households Program. Financial assistance, provided directly to the homeowner, enables them to make a damaged home safe, sanitary, and functional. The repairs could include replacing drywall, repairing a damaged roof, or replacing a damaged furnace. FEMA has approved more than \$457 million to help more than 34,858 survivors make repairs to their home.
- **Multi-Family Lease and Repair (MLRP):** This program allows FEMA to enter into lease agreements with owners of multi-family rental properties located in disaster areas and make repairs or improvements to provide temporary housing to disaster survivors. In order to qualify, the properties must have been previously used as multi-family housing and must be located in an area included in a major disaster or emergency declaration. Furthermore, the value of the repairs and improvements cannot exceed the value of the lease, and must be cost effective compared to other types of temporary housing.
- **Manufactured Housing Unit (MHU):** MHUs are manufactured homes constructed in accordance with the U.S. Department of Housing and Urban Development (HUD) regulations and FEMA contract requirements for ruggedness and weather. This is used when other resources have been exhausted or have been determined to be infeasible. FEMA may provide this form of direct temporary housing assistance in the form of MHUs on sites with utility access that meet the needs of the household, and comply with

applicable state, local, territorial, and tribal government ordinances. Approved sites must also meet federal floodplain management and Environmental and Historic Preservation requirements. FEMA selects locations based on the cost-effectiveness, timeliness, and suitability of each potential site. Sites may include private, commercial, and group sites. FEMA sends inspectors to the property to determine if it is feasible for placement. The decision depends, in part, on appropriate permits from local/parish governments and available utilities. Inspectors then complete site assessments. If the location is feasible, a work order is issued to haul and install a unit at the site. Local officials provide permits before MHUs are installed. Availability and connection of utilities (power, sewer, and water) are secured. If the location is in a Special Flood Hazard Area, the MHUs must be elevated to the fullest extent practicable up to the base flood elevation and adequately anchored. Furnished MHUs, ranging from one to three bedroom units, are provided based on the applicant's pre-disaster household composition.

As survivors in Louisiana seek to address their longer term housing needs, FEMA is working with its federal, state, local, tribal, private sector, and voluntary agency partners to coordinate resources that the federal government may make available to meet those needs.

Long-term recovery support for communities impacted by disasters, such as those in the Louisiana floods, was initially addressed in 2011's National Disaster Recovery Framework (NDRF). The NDRF defines the overall process by which communities can capitalize on opportunities to rebuild stronger, smarter, and safer. The NDRF identifies core capabilities and new Recovery Support Functions, which are the federal coordinating structures for delivering those core capabilities.

HUD serves as the lead agency for the Housing Recovery Support Function. HUD serves as the housing expert for the federal government and is tasked by Congress with the responsibility of establishing national housing standards. HUD coordinates and facilitates the delivery of Federal resources to implement housing solutions that effectively support the needs of the whole community. FEMA has strengthened its partnership with HUD to identify housing solutions to meet the needs of states and tribes with residents displaced by disasters.

Manufactured Housing Units

While every disaster is unique, common threads and lessons are learned from previous disasters. In the aftermath of a major disaster where numerous residential dwellings are damaged or destroyed, FEMA works closely with partners across the whole community to assist disaster survivors in finding ways to meet their disaster-related housing needs. In rare circumstances, this may include providing temporary housing with FEMA purchased manufactured housing units. These units comply with HUD standards and provide a place for families to live until permanent repairs are made or permanent housing is acquired. MHUs are designed to support the needs of survivors after a disaster and are equipped to promote safety and accessibility, including residential sprinklers and features for survivors with access and functional needs.

More durable construction, higher standards, more built-in safety and accessibility features, and a variety of sizes based on the household's needs contribute to the increased cost of a

manufactured housing unit. However, FEMA's top priority is to provide survivors with safe, clean, and durable temporary housing.

In Louisiana, FEMA worked closely with the Governor and his Office of Homeland Security and Emergency Preparedness (GOHSEP) to discuss the range of housing assistance FEMA could make available to the State of Louisiana to speed recovery. Early on, the State identified a need for MHUs to meet the needs of survivors. As a result of the State request, FEMA began relocating MHUs from Cumberland, Maryland and Selma, Alabama to staging areas near the impacted communities.

Once a survivor is determined eligible for a MHU, FEMA works to: find a suitable location for the MHU; ensure that placing an MHU is consistent with local zoning laws and ordinances; deliver the MHU to the agreed upon location from the staging site; and ensure proper site preparation. When the survivor moves into the unit, FEMA provides a maintenance hotline and initiates a monthly maintenance schedule to ensure the MHU continues to be a safe place to live.

On October 25, 2016, FEMA was notified of a fatality that occurred in an overheated MHU and that the heat in that MHU was running uncontrolled despite the thermostat being in the "off" position. FEMA immediately assembled a team, including contracted engineers to begin an investigation. The team identified the thermostat as the probable cause of the uncontrolled performance of the heater. On November 3, FEMA engaged the Consumer Product Safety Commission (CPSC) and began gathering information from all ongoing housing missions to identify if there were similar failures. This effort took about two weeks.

Simultaneously, FEMA directed the replacement of all pre-2016 thermostats because of the uncertain cause and potential contributing factors such as manufacturing defect or damage. FEMA also continued a review of maintenance records across all active disaster housing missions to determine the possibility of a systemic problem. This review found no systematic issue which could have provided FEMA advanced warning of the thermostat issue.

The CPSC investigation issued its final report on November 17, 2016 that came to the same conclusion our contracted engineers found in the field. First, the thermostat in question was configured incorrectly for a heat pump system. Second, this configuration caused the heating strip to heat continuously independent of the thermostat settings.

The investigation performed by FEMA's advisory and assistance service contractor surmised that if the thermostat would have been programmed to a conventional system, and not a heat pump system, the electric heat would not have stayed on continuously.

With these conclusions, FEMA undertook a series of mitigation activities:

- Disaster survivors were (and continue to be) advised to immediately report HVAC problems. HVAC problems are dealt with as emergency work requests and the FEMA MHU maintenance contractor is required to respond within two hours.

- The pre-2016 thermostat replacement effort initiated on November 1, 2016 ensured that new, properly configured thermostats were installed and operated the HVAC systems correctly.
- FEMA contacted all MHU manufacturers reinforcing the requirements to configure thermostats to match the supported HVAC unit.
- FEMA's advisory and assistance contractor (the Institute for Building Technology and Safety), which conducts quality assurance oversight in the MHU manufacturing facilities directed its field inspectors to ensure that thermostats are being installed consistent with manufacturer instructions.

Additionally, FEMA will issue a technical bulletin to the MHU manufacturers to require non-configurable thermostats, designed for their units, in order to remove the possibility of misconfiguration.

Conclusion

In conclusion, the flooding disaster that impacted Louisiana was a historic disaster event displacing thousands of survivors from their homes. FEMA, working closely with our partners in the State of Louisiana, moved quickly to deploy all the tools available to address the sheltering and housing needs of survivors. While MHU's are one form of temporary housing provided, many survivors' needs were met through their insurance, SBA loans, or a combination of federal, state, and partner assistance. FEMA is always looking at the effectiveness of our programs and taking steps to continuously improve coordination and ensure that survivors affected by disasters are returned to safe, secure, and functional housing options as soon as possible following a declared disaster.

Thank you.

Chairman CHAFFETZ. Thank you.
Mr. Boone, you are now recognized for 5 minutes.

STATEMENT OF REAR ADMIRAL DAVID BOONE

Admiral BOONE. Chairman Chaffetz, Ranking Member Cummings, Congressman Graves, and members of the committee, I appreciate the invitation to be with you today to discuss CB&I Federal Services' role in the Baton Rouge flood disaster recovery. I ask that my full statement be made part of the record.

My name is David Boone, and I'm PRESIDENT of CB&I Federal Services. Prior to joining CB&I in December of 2013, I served for 30 years in the United States Navy. I was a civil engineer corps officer and a Seabee. Those 30 years provided me with an exceedingly rich source of perspective. My transition from a military officer to president of this company has turned out to be a very natural continuation of my career as both demand the highest levels of dedication to the American taxpayer.

During my Navy career, I participated in many disaster response missions. When we received this task order from FEMA, I was very anxious and determined for our organization to respond well in performing its mission in relieving the victims from the misery of the disaster. We provided a focus of resources and leadership to ensure success of our mission.

I believe our team was highly successful in this endeavor. We serve the U.S. Government. We serve those who the U.S. Government serves. And in this particular case, we faithfully assisted and continue to assist victims of one of the worst flood events in the history of our country. We are proud of our work, but make no mistake, this is difficult work, and at times it's heartbreaking work.

Our company has provided disaster relief assistance to FEMA since 2005, and we have successfully completed over 100 task orders. After Hurricane Katrina and Rita, we dewatered New Orleans, patched roofs, and set up many thousands of housing units for citizens who had nowhere to live.

On May 8, 2009, FEMA awarded CB&I Federal Services a contract to provide disaster recovery services on task orders to be issued as needed over the life of the contract. CB&I was evaluated and awarded as the best value of all the competing contractors. That, in turn, resulted in FEMA assigning CB&I Federal Services to the southeast region, which is the most disaster-prone region in the United States. CB&I was determined by FEMA to be the most qualified emergency response contractor, and its rates were determined to be fair and reasonable to the U.S. Government.

Baton Rouge is not just a job site for CB&I Federal Services. It's our home as well. We have several offices—office locations in the Baton Rouge area. We have employees who have lost everything. We are members of this community. For much of our staff, this is home, and it is personal to us. We are not just a contractor that came to this area in response to the flood. Many of our employees live and work in Baton Rouge and personally suffered as a result of the flooding. I personally walked those neighborhoods. I saw the piled up personal belongings. I held and cried with employees. This was personal to us.

I'm also proud to say that many of our employees responded to help others as volunteers, and our company gave them the opportunity to continue working as volunteers. A number of our employees were part of what became known as the Cajun Navy, serving to rescue people with their personal watercraft. So when we knew that there was a potential for our company to receive this task order to do the best—to do this work, our employees were motivated to do the best possible job to make a difference and help those devastated by disaster. It amazed me that we had employees that lost everything back at work within days striving to help others get back on their feet and support others.

I thank you, Chairman Chaffetz and Ranking Member Cummings, for the invitation to be here today. Currently, we have zero work in backlog related to installation under this task order. We have received only positive comments and glowing accolades from FEMA at all levels about our performance under this task.

Congressman Graves, we will stay in your district until the job is done. We are your constituents, and together we will help our friends and neighbors get back on their feet.

As I said at the outset of my testimony, I take the task of serving my fellow Americans very seriously, and I ensure that everyone who works for and with me does as well.

I stand ready to answer your questions you may have. Thank you very much.

[Prepared statement of Admiral Boone follows:]

April 3, 2017

Congress of the United States
Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, D.C. 20515-6143

Re: Oversight of FEMA's Response to the Baton Rouge Flood Disaster;
Testimony of Rear Admiral David M. Boone, USN (Ret), President, CB&I Federal
Services LLC

Chairman Chaffetz, Ranking Member Cummings, Congressman Graves, and Congressman
Richmond, and members of the Committee:

I appreciate the invitation to be with you today to discuss CB&I's role in the Baton Rouge
flood disaster recovery. I ask that my full statement be made part of the record.

PERSONAL

My name is David Boone and I am the President of CB&I Federal Services.

Prior to joining CB&I in December of 2013, I served for 30 years in the United States
Navy. I was a Civil Engineer Corps Officer and a Seabee and retired as a Rear Admiral. Those
30 years provided me with an exceedingly rich source of perspective.

My transition from a military officer to President of CB&I Federal Services has turned
out to be a very natural continuation of my career as both demand the highest level of dedication
to the American tax payer. During my Navy career, I participated in many disaster response
missions. When we received this Task Order from FEMA, I was very anxious and determined
that our organization respond well in the performance of its mission to provide relief to the
victims from the misery of the disaster. We provided a focus of resources and leadership to
ensure success of our mission. I believe our team was highly successful in this endeavor.

CB&I

Whether CB&I Federal Services is providing Base Operations and Support for a military
facility, remediating an environmental hazard, providing construction engineering or
maintenance services for any military branch or U.S. Government agency, or assisting FEMA
with the very difficult task of post-disaster recovery, the role of my company is one of service.

We serve the U.S. Government. We serve those who the U.S. Government serves, and in
this particular case, we faithfully assisted and continue to assist victims of one of the worst flood
events in the history of our country.

We are proud of our work. But make no mistake – this is difficult work and it is, at
times, heart-breaking work.

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After Hurricane Katrina and Rita we de-watered New Orleans, patched roofs, and set up many thousands of housing units for citizens who had nowhere to live.

On May 8, 2009, FEMA awarded CB&I Federal Services a contract to provide disaster recovery services on Task Orders to be issued as needed over the life of the contract. CB&I Federal Services was evaluated and awarded this contract because it was deemed the best value of all the competing contractors. That, in turn, resulted in FEMA assigning CB&I Federal Services to the Southeast region, which is the most disaster prone region in the U.S. CB&I was determined to be the most qualified emergency response contractor and its rates were determined to be fair and reasonable to the U.S. Government.

BATON ROUGE

When the Baton Rouge area flooded in August of last year, FEMA tasked CB&I Federal Services to immediately mobilize and begin the vitally important work of providing temporary shelters to displaced residents.

Baton Rouge is not just a jobsite for CB&I Federal Services. It is our home as well. We have several office locations in the Baton Rouge area. We have employees who have lost everything and those that were spared. We are members of this community and while we would have provided the same high quality services should this have happened anywhere in the U.S., for much of our staff, this is home and it is personal to us. For example, our Director of Human Resources was forced to evacuate her home in the middle of the night by boat (while 9 months pregnant with two other small children) as rising water inundated her house. Our Quality Manager lost her home and most of her personal belongings; one of our subcontract administrator's lost his home. We are not just a contractor that came to this area in response to the flood. Many of our employees live and work in Baton Rouge and personally suffered as a result of the flooding.

This contract was more than a business proposition to me and to my company. CB&I has hundreds of employees in the Baton Rouge area and many of them had some disaster impact ranging to include total devastation. I personally walked those neighborhoods, I saw the piled up personal belongings, I held and cried with employees. This was personal to us. I'm also proud to say that many of our employees responded to help others as volunteers and our company gave them the opportunity to continue working as volunteers. A number of our employees were part of what became known as the Cajun Navy serving to rescue people with their personal water craft. So when we knew that there was a potential for our company to receive this TO to do this work, our employees were motivated to do the best possible job, to make a difference and help those devastated by disaster. It amazed me that we had employees that lost everything, back at work within days striving to help others get back on their feet and support others

The Installation Process

CB&I Federal Services was assigned a Task Order under the contract and began work in Baton Rouge on August 23, 2016.

Under this Task Order, FEMA contracted with CB&I Federal Services to transport, install, and maintain mobile housing units for approved disaster victims.

CB&I Federal Services receives a Work Order from FEMA for delivery of government owned MHUs to specific locations.

Our subcontractor is dispatched to a FEMA controlled lot, where FEMA stores MHUs.

MHUs are picked up by our subcontractor and delivered to FEMA-directed location.

Once on site, we are responsible for installing the MHU according to FEMA specifications. The exact specifications are contained in the contract documents we have provided to the Committee for their review.

Each MHU is placed in a FEMA-approved location. It is blocked, made level and secured to the ground with heavy duty straps. We then run power and water to the unit and ensure that sewerage is hooked up as appropriate for that location.

Once the MHU is installed, we jointly inspect with FEMA the work pursuant to a FEMA-provided inspection list to certify that the MHU is properly installed and that the trailer's systems functioning properly.

We then sign off on FEMA's "Ready for Occupancy" document and our installation task is fully complete.

CB&I Federal Services does not choose who will be assigned the MHU.

CB&I Federal Services does not participate in the walk-through and orientation process with the applicant assigned the MHU. CB&I cannot install a MHU without a specific work order from FEMA.

Maintenance

Once an MHU is occupied, CB&I is responsible for maintaining the MHU.

Our contract calls for us to provide a 24/7 help line and provide regular inspections.

We do this through a small disadvantaged veteran owned subcontractor.

Our helpline is staffed congruent to the number of units occupied. As you would expect, as recovery efforts grew in Baton Rouge, more MHUs were installed and our team grew to meet the growing demand.

We are required to respond to non-emergency calls within 48 hours and emergency calls within 2 hours.

We have provided our call logs to the Committee for their review.

In addition to the help line, we routinely perform preventive maintenance inspections on every occupied unit.

Fundamentally, the scope of work for this task order is covered by the hauling, installation and Maintenance requirements.

Mr. Wilson

We share our deepest sympathies with the Wilson family.

We learned on October 28, 2016 that the occupant of the MHU at Lot #15 had died. I want to state clearly that we have no records of calls into the CB&I help line about his MHU.

Some days after Mr. Wilson's death, we were asked by FEMA to replace the thermostat at Lot # 15, but we never performed the work. We will continue to work with local authorities in their investigation.

Summation

I thank you Chairman Chaffetz and Ranking Member Cummings for the invitation to be here today.

Currently, we have zero work in backlog related to installation under this task order. We have received only positive comments and glowing accolades from FEMA at all levels about our performance under this task.

Congressman Graves and Congressman Richmond, we will stay in your districts until the job is done. We are your constituents and together we will help our friends and neighbors get back on their feet.

As I said at the outset of my testimony, I take the task of serving my fellow Americans very seriously. And I ensure that everyone who works for and with me does as well.

I stand ready to answer any questions you may have.

Thank you

Chairman CHAFFETZ. Thank you.
Mr. Harrell, you're now recognized for 5 minutes.

STATEMENT OF MARK HARRELL

Mr. HARRELL. Thank you, Mr. Chairman, committee. I appreciate this. I would—I also want to thank you for recognizing Livingston Parish as being a part of this flood. I provided some inundation maps for you. Ninety-four percent of our folks suffered, 94 percent.

I'd like to move on to information sharing. Constantly, we run into resistance with FEMA on the individual assistance side. Our council, our parish president, everyone, gets calls from our citizens wanting help because they can't get through to the hotline with FEMA. It's ridiculous. So when we try to follow through and help our citizens, we're constantly told, that's a Privacy Act. We cannot give you this information. What are we to do? I ask you to please look into this, make some changes. Every emergency manager in the country should have access to this information.

Secondly, our hazard mitigation. It is one of the, I'm going to say, the best programs that FEMA has to offer. We're building safe rooms. We're doing everything with that. We're doing drainage. One thing that I faced a problem with for the last 12 years is trying to build a warehouse for our commodities to help our citizens. It was in there, and then in 2009, it was taken out where we cannot build, do any new construction with hazard mitigation funding, unless it's a safe room. So I ask you to please look into that, see if we can change policy to where that can be offered again.

Also, we would like the ability to use hazard mitigation funding for commodities. Let us buy our meals, ready to eat, water, couch, blankets, hygiene kits. That saves you from having to haul them all over the country to get them to us weeks later. So help us help ourselves.

And I would like to point out right now, in 1 year's time, Livingston Parish is the only parish that had a Federal declaration three times. All three disasters, we're the only one. So you understand why we need to do some reform with FEMA. It's going to help everyone.

At one time, the Federal coordinating officer, once he was appointed, could make decisions in the field. He could use some common-sense approach, change some policy, move forward with things. In the last 10 years, that has not happened. Everything must come from the Federal coordinating officer all the way back to Washington, DC be delayed for weeks and weeks or months, and then we still can't move forward with anything. So we could have made a lot of decisions in Baton Rouge at the joint field office had the Federal coordinating officer been allowed those opportunities.

The MHU program, as you stated, is definitely flawed, and I'm going to leave it at that. There are other opportunities. There's other ways to do better with this. It's simply issue the State or issue the jurisdiction that's affected and declare it a block grant. Let them handle the housing. I mean, it's got to get much easier. As you stated, we can buy mobile homes local if we need to. There's all kinds of opportunities if you provide it to the locals and let us do it ourselves.

First responder agencies throughout the country suffer from the fact that if a responding agency comes in to assist—and understand, Livingston Parish, Ascension, EBR, it was a war zone, just like it was during Katrina. We had first responders from across the country and the northern part of the State come in to help. We can't seem to get a project worksheet worked out to where we won't have to cover 100 percent of it. Just—and there's nothing prohibiting that, but we just need to look into this.

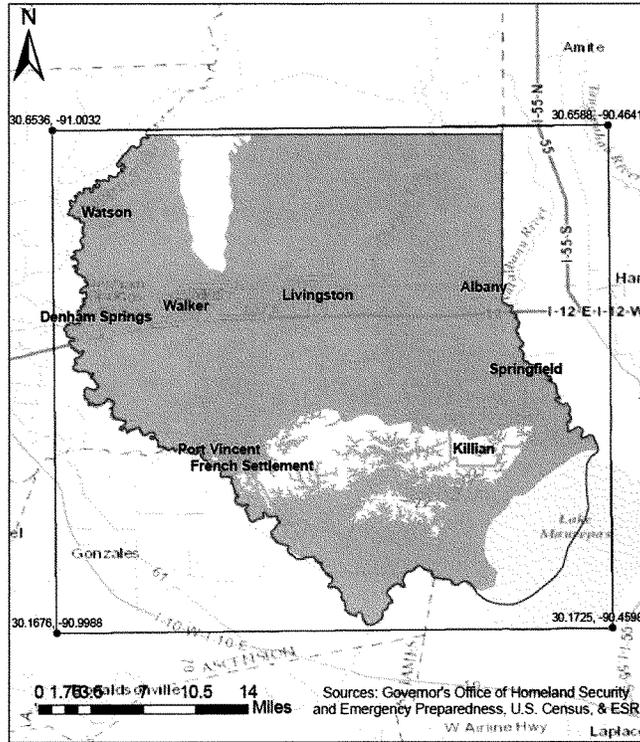
Lastly, I would just like to say that I've met resistance on public assistance on our roads. And Mr. Cummings brought up how the roads were inundated with the homes earlier. Ninety-nine percent of our roads was under water for 7 to 10 days. However, when we—excuse me—when we talked to FEMA about it, they say, we have nothing that we can help you on unless we can see the damage. I've provided you with some backup documentation that proves otherwise. I'm asking you to please help us get FEMA to respond to that. And it's not only a Livingston Parish issue. This is across the country. Everyone faces it.

And then I'd like for you to look at something that happened after Katrina that helped the school systems, NFIP. And it's in my packet.

Thank you for your time. I'm here to answer any questions.
[Prepared statement of Mr. Harrell follows:]

Mark Harrell
Livingston Parish
Office of Homeland Security
and Emergency Preparedness

Livingston - August 2016 Flood Impact Assessment

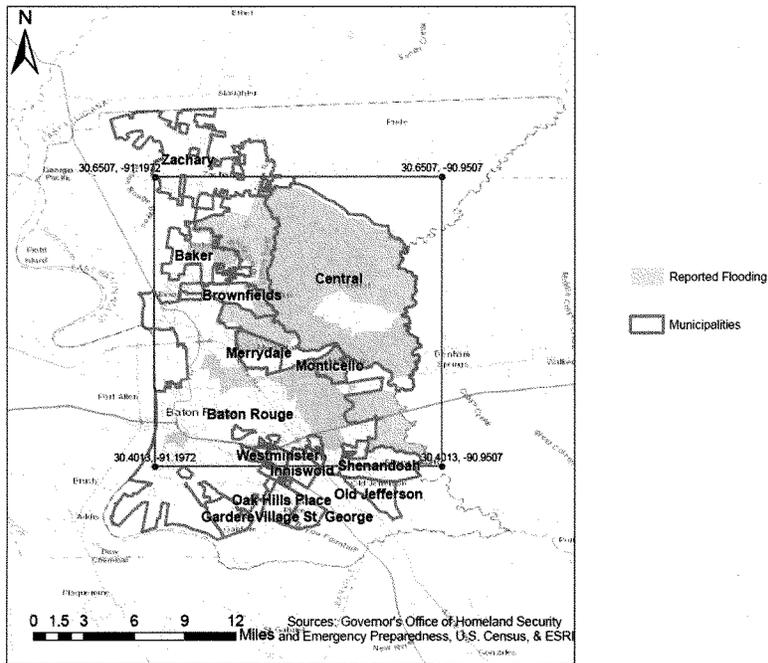


- Reported Flooding
- Municipalities

Livingston

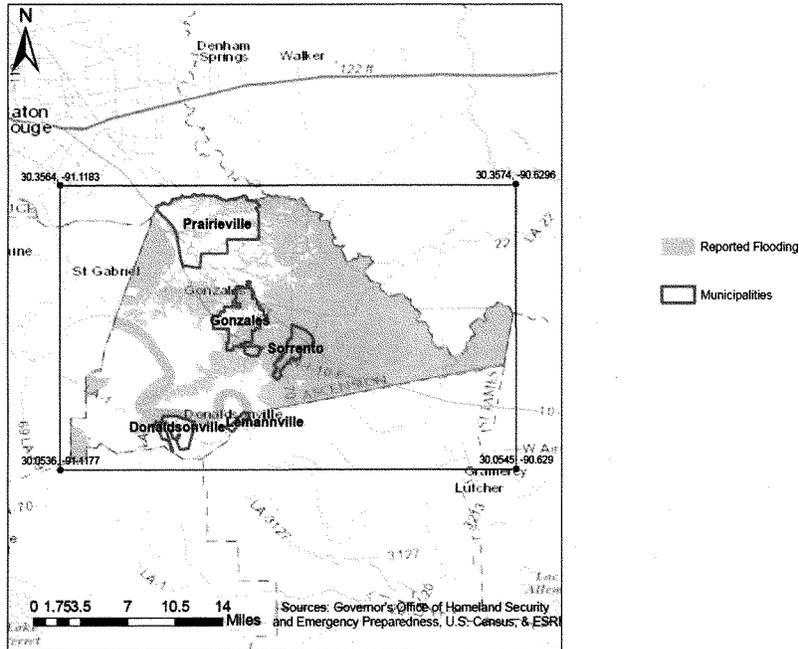
Population		Housing	
Total	Affected	Total	Affected
128,026	120,544	50,128	47,263
Population Affected Outside of Flood Zones		Housing Affected Outside of Flood Zones	
52,565		19,406	
Percentage of Population Affected			
94%			
Businesses			
Total		Affected	
1,546		1,527	
Businesses Affected Outside of Flood Zones			
685			
Economic Impact			
\$800,000,000.00			
Employees Impacted			
18,000+			
Education			
Schools		Students	
Total	Affected	Total	Affected*
43	18	25,295	5,000 directly 4,300 indirectly
Total Cost for Repairs and Rebuilds			
\$46,339,513.00			
Number of Students Lost			
578			
Estimated Negative Budget Impact			
\$4,000,000.00			
Projected Lay-Offs due to Decreased Enrollment			
42			

East Baton Rouge - August 2016 Flood Impact Assessment



Population		Housing	
Total	Affected	Total	Affected
445,967	121,729	189,596	49,540
Population Affected Outside of Flood Zones		Housing Affected Outside of Flood Zones	
69,716		28,069	
Percentage of Population Affected			
27%			
Businesses			
Total		Affected	
9,758		1,899	
Businesses Affected Outside of Flood Zones			
1,473			

Ascension - August 2016 Flood Impact Assessment



Population		Housing	
Total	Affected	Total	Affected
107,215	80,592	39,678	30,717
Population Affected Outside of Flood Zones		Housing Affected Outside of Flood Zones	
N/A		N/A	
Percentage of Population Affected			
75%			
Businesses			
Total		Affected	
1,855		387	
Businesses Affected Outside of Flood Zones			
N/A			

Committee on Oversight and Government Reform

Livingston Parish

Mark Harrell Testimony

1. Information Sharing

A. The Parish has met continuous resistance in obtaining individual assistance applicants information during the recovery process, however, it is provided to the Parish during Hazard Mitigation Grant Program (HMGP) projects. This information could assist the Parish in expediting recovery aid available to applicants from Parish resources as well as non-profit organizations. During a major disaster event it is critical that Local (Parish) Emergency Managers have immediate access to any/all available information that is requested. Delays in obtaining accurate and current information only hinders the initial response effort and can result in additional loss.

B. The Parish is recommending that all local emergency managers be given read-only access to disaster systems, such as EMMIE (Emergency Management Mission Integrated Environment) and any other systems that may be developed for tracking project worksheets (PWs) and their progress. We are requesting that each EM have country-wide filtering rights within the read-only system in order to assist with eligibility guidance and have a better understanding of what is needed in each PW.

2. Hazard Mitigation

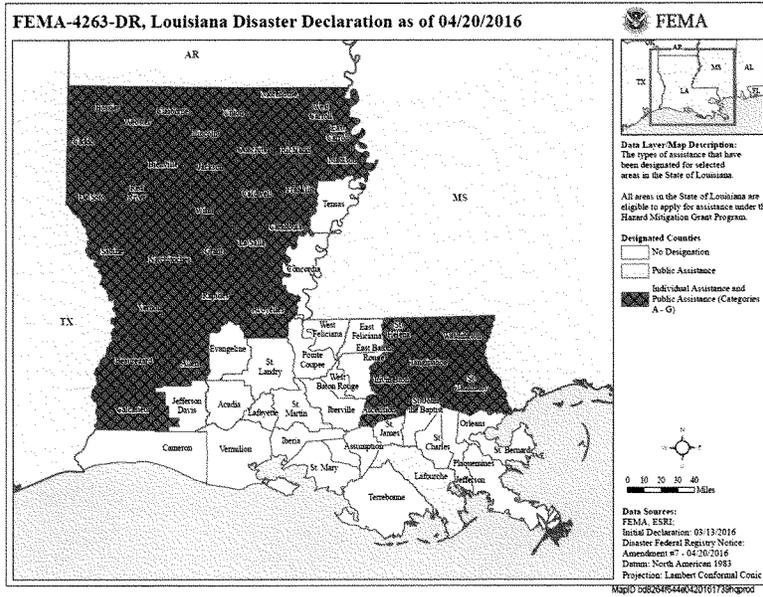
Hazard mitigation, as defined by FEMA, is the effort to reduce loss of life and property by lessening the impact of disasters. It is the only phase of emergency management specifically dedicated to breaking the cycle of damages, loss of life and property. In order to break this cycle, FEMA offers federal assistance in the form of grant programs, such as the Hazard Mitigation Grant Program, the Flood Mitigation Assistance program and the Pre-Disaster Mitigation program. All of these programs are focused on eliminating the loss of life and lessening damages to property – due to natural hazards.

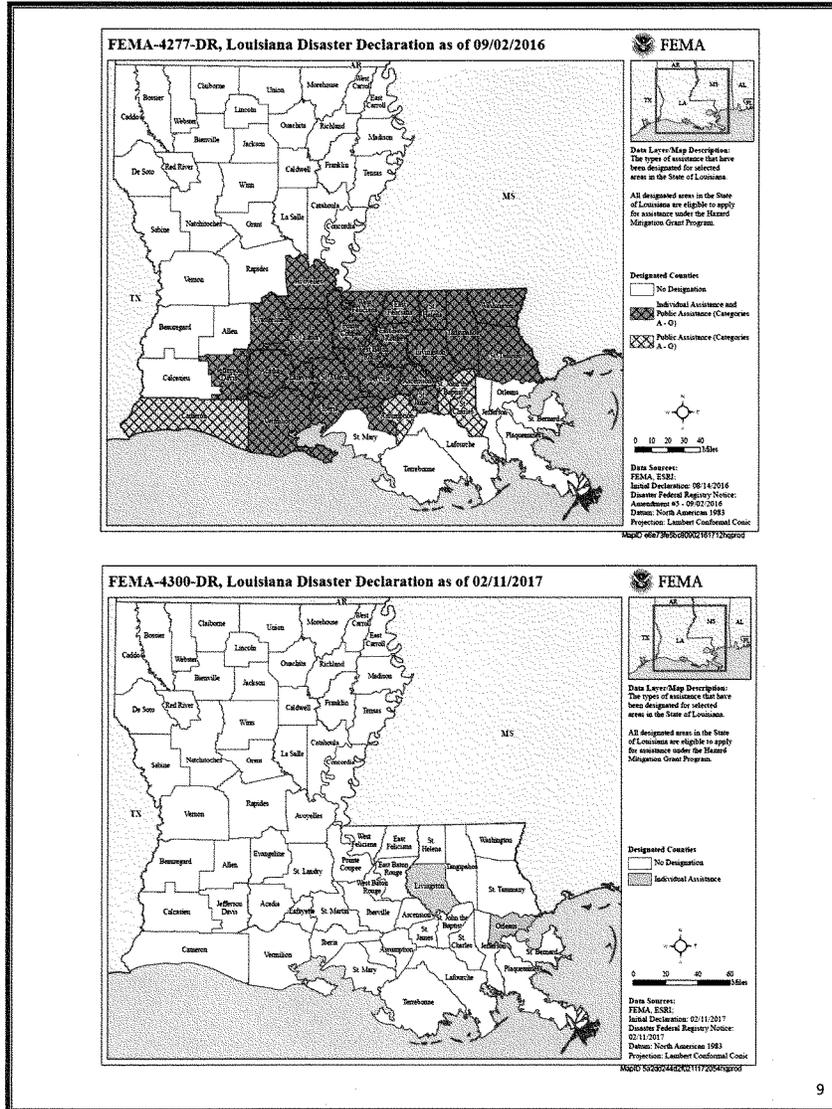
FEMA has, over the past few years, begun to promote "resiliency". As a parish that understands mitigation, we know that resiliency is very similar to mitigation – if not the same thing. FEMA encourages community resiliency. In order for Livingston Parish and other communities to continue to build capacity and achieve self-sufficient/resilient communities, we need the ability to use mitigation funding to construct disaster storage facilities that are large enough to house disaster supplies. These are so desperately needed during and immediately following catastrophic events.

To that point, prior to 2009 – FEMA mitigation guidance allowed for new construction as an eligible use of funding. However, that ability was stripped with the new Hazard Mitigation guidance in 2009.

Mitigation measures that are funded by FEMA, through the Hazard Mitigation Assistance programs are intended to provide long-term or permanent solutions.

Livingston Parish is the **ONLY** parish in the State of Louisiana that has been impacted by Disasters 4263 (March 2016 Flood), 4277 (August 2016 Flood) and 4300 (February 2017 Tornadoes).





I am asking you, the members of this committee, to revise the Stafford Act and direct FEMA to update the Hazard Mitigation Assistance program guidance to allow communities the ability to apply for new construction funding. Specifically, to construct new code compliant (building and flood plain) structures that can be used to support the response and recovery efforts of communities facing disasters. We also ask that you consider allowing the use of HMGP funding for the purchase of commodities, such as Meals Ready to Eat (MREs), water, cots, blankets, tarps, etc.

Initially, hazard mitigation funding should only be made available to those parishes affected by the disaster. Only once spending efforts are exhausted by the affected parishes should those funds be offered to non-affected parishes.

3. Regional/FCO Authority

A. In the "National Response Framework" produced by the US Department of Homeland Security (DHS) it states, on page 47, "Incidents are typically managed at the lowest possible geographic, organizational, and jurisdictional level." The Federal Coordinating Officer (FCO) should be allowed to make decisions on the ground that he or she deems prudent to produce a rapid response and transition to recovery without having to ask permission from FEMA Headquarters. No war run from Washington has ever been very successful, give the field leaders the ability to fight the war from their perspective in the field, on the ground, where the action is taking place. A few examples:

1. The FCO should have the authority to waive certain requirements in disaster areas during the response period that impede Category A (Emergency Debris Removal) and Category B (Emergency Protective Measures) activities.
2. The FCO should be able to reasonably determine cost effectiveness in the field to justify decisions. Housing options include raising the amount of the Sheltering and Temporary Essential Power (STEP) program or improving the quality of work to permanent. Doing so would cost less money than temporary manufactured housing units (MHUs). However, the FCO was not allowed to revise the spending of tax payer dollars on a more cost effective, viable option.

FEMA's "Tool Bag:" FEMA Headquarters dictates the allowable resources in each disaster; again, we ask that all options are afforded to the FCO/Regional Administrator. Numerous options are available in 44 CFR that Headquarters does not make available to the applicants through their "Tool Bag."

4. MHU Program

A. The current MHU (Manufactured Housing Unit) program is flawed and is very costly to the government and tax payers. The average cost to have a MHU delivered and set up for each applicant is \$150,000. This does not include the man hours of federal, state and local employees needed in the process. A suggested alternative would be for FEMA to provide the local governments with the funding, such as Block Grants, as each homeowner is deemed eligible to make the process more effective and timely.

B. As of today, FEMA still has not completed its MHU initiative in Livingston Parish. There are 1,543 MHUs placed within the Parish in the seven (7) months since the disaster.

C. First Responder Agencies throughout the Parish needed a housing solution in order to properly and effectively serve and protect its citizens. Because of FEMA's inability to carry out this initiative in a timely manner, the Sheriff had to establish a housing location to be made available to all First Responder Agencies in need. He was able to expedite this and establish the site at a much lower cost and in a more timely manner than FEMA would have. It cost the Sheriff approximately \$2,800,000.00 to set up twenty-five (25) units, including establishing a usable site. Using the average cost of \$150,000.00 per unit it would have cost FEMA \$3,750,000.00 for the purchase of the MHUs alone. In light of the recent attacks on LEOs (law enforcement officers), such as the Baton Rouge attack on July 17, 2016, and the civil unrest around the country, it was determined that the level of safety protection needed for LEOs and their families in MHU parks could not be provided. FEMA has denied reimbursing the Sheriff's Office for the first responder housing even though they would have provided housing at a much higher cost.

5. First Responder Agencies/Cost Share

FEMA needs to address its Public Assistance Grant process to be more supportive of first responder agencies. During an incident, first responder agencies will be reimbursed for eligible expenses incurred in response to a disaster. Often in an event, first responder agencies from neighboring jurisdictions will provide support to assist and maintain operational capacity in the affected jurisdiction.

For example, in Disaster 4277, Livingston Parish Sheriff's Office's (LPSO's) capacity to respond to emergency issues related to the event was diminished because 30% of the deputies were directly affected by the flood. Sheriff's Offices from neighboring jurisdictions responded to help and in the process incurred expenses. Even though these agencies were providing essential assistance in the designated disaster area, the work performed was not considered an activity "eligible" under the FEMA Public Assistance program. FEMA does not consider that agency an "eligible applicant," because they are not from the affected jurisdiction. The affected agency who received the assistance is an "eligible applicant" and must reimburse the assisting agency prior to requesting reimbursement. However, this is difficult as the affected agency has incurred numerous expenses thus far. This issue centers around the non-federal cost share. Generally speaking, the assisting agency is willing to absorb that cost share in order to support the fellow agency, understanding the difficulty of the event and other financial impacts on the receiving agency.

Possible solutions would include either allow the assisting agency to be an eligible applicant or to allow the receiving agency to treat the in-kind donations as the cost share supporting their PWs. The Stafford Act does not prohibit either of these approaches, but FEMA has been unwilling to apply the common sense approach to the issue. In either case, the cost to the Federal Government does not change, but by adopting one of the proposed solutions greatly reduces the burden on the local community and will expedite recovery.

6. NFIP and Schools

Section 406(d) of the Stafford Act requires a \$500,000.00 reduction to facilities that are in a Special Flood Hazard Area that did not maintain flood insurance. This is especially detrimental to our schools that have multiple buildings on one campus. It is essential that our damaged schools be restored in order for the community to fully recover. For Katrina/Rita, in the 2008 Consolidated Appropriations Act, Congress added a provision that limited the deduction for educational facilities to one reduction per campus. Previously, for example, if a school had four (4) buildings on a campus each would be subject to the \$500,000.00 deduction, and that is too great a burden for these school systems to endure. We encourage Congress to look at similar relief for this flooding event, which is being classified as a one thousand year event and affected areas of the Parish, like our schools, that no one anticipated would flood. **If this section in the Stafford Act is not waived, it will bankrupt the Livingston Parish Public School system, which is a top ten performing school system in the State.**

7. Public Assistance

A. ****IMMEDIATE ATTENTION NEEDED**** FEMA staff are resisting its own policy. FEMA employees tasked with writing Project Worksheet (PW) are coming into the Parish with old versions of its guidance to write current PWs. They have used these older versions to deny eligibility that is allowable in the current guidance. According to a FEMA Region 6 representative, at a Baton Rouge Joint Field Office (JFO) meeting with Parish representatives and the Parish's licensed engineering firm, stated that FEMA will only approve repairs of visual damage. Our licensed engineer has supporting documentation providing evidence of sub-surface damage as well as visually observable damage. Federal Policy 104-009-2/January 2016, page 132, shows that FEMA uses the applicant's cost estimation if the estimate is prepared by a licensed professional engineer or other professional cost estimator who certifies that the estimate is prepared in accordance with industry standards and based on reasonable unit costs for each component of the scope of work and not a lump sum amount.

B. When a road is inundated for any significant length of time, damage to the roadway paving, base and sub-base will occur; and this is well documented. The Federal Highway Administration (FHWA) explains the extreme importance of drainage and the effects of saturation on roads and provides volumes of information on the subject. A good example is the FHWA document titled "Geotechnical Aspects of Pavements Reference Manual," Chapter 7. American Association of State Highway and Transportation Officials (AASHTO) also outlines the detrimental effects of flooding on the structural integrity of pavement systems as follows:

- Water in the asphalt surface can lead to moisture damage, modulus reduction (strength), and loss of tensile strength. Saturation can reduce the dry modulus of the asphalt by as much as 30% or more.
- Added moisture in unbound aggregate base and sub-base is anticipated to result in a loss of stiffness on the order of 50% or more.
- Modulus reduction (strength) of up to 30% can be expected for asphalt-treated base and increase erosion susceptibility of cement or lime treated bases.
- Saturated fine-grain roadbed soil could experience modulus reductions (strength) of more than 50%.

I hope that we can agree that all roads subjected to prolonged flooding would be considered damaged in Disaster 4277.

C. The next challenge will require all parties to work together to come up with a reasonable and economical methodology to quantify and place a value on the damage that occurred to the roads. An additional problem local governments face is attempting to use post-flood testing and analysis to estimate the damage because of a lack of base line comparison. This is not information that municipalities or state agencies typically have available.

Livingston Parish has been maintaining their roads to some degree since they were formed in 1832. However, in 1997 the residents of Livingston Parish passed a one (1) cent sales tax that was dedicated to maintenance of roads, bridges and related drainage. In the last 20 years Livingston Parish has spent more than \$200,000,000.00 of these tax funds on the maintenance of our roads, bridges and related drainage. This is significant when you compare Livingston Parish to other parishes and counties of similar size and population.

The condition of the roads that were damaged by FEMA Disaster 4277 varied greatly. Some roads were in the process of being re-paved as part of the Parish's maintenance program when the catastrophic flood occurred and some were near the end of their useful life and were schedule to be re-constructed in 2017. The condition of the roads that were damaged varied from one end of the spectrum to the other.

8. Individual Assistance (IA)

In the "National Incident Management System (NIMS) Training Program, produced by the US Department of Homeland Security (DHS), it states on page 2, "A basic premise of NIMS is that all incidents begin and end locally. The Federal Government supports State, tribal, and local authorities when their resources are overwhelmed or anticipated to be overwhelmed. The intention of the Federal Government in these situations is not to command the response, but rather to support the affected State, tribal, and local authorities." In recent disasters, FEMA has self-deployed its assets without a request from the State, tribal, and local authorities, violating its own management policy.

9. Re-interment Eligibility in IA or PA

The Parish had approximately 300 caskets displaced as a result of the recent flood. There are 160+ caskets remaining for re-interment through Individual Assistance. We are requesting a change in policy to allow for the option of re-interment costs to be FEMA reimbursement eligible through IA (Individual Assistance) or PA (Public Assistance). It was only allowed under IA during Disaster 4277 but the process would have been more efficient had it been reimbursable through PA. This is due to the enormity of the damage/displacement and the amount/difficulty of the paperwork process required for citizen applicants through IA. PA would have been more cost effective and timely, if the FCO were allowed discretion while in the field.

Chairman CHAFFETZ. Thank you. Appreciate it.

We'll now recognize the gentleman from Georgia, Mr. Hice, for 5 minutes.

Mr. HICE. Thank you, Mr. Chairman.

Governor, how many did the—how much did the Shelter at Home Program cost?

Governor EDWARDS. We haven't—I'm sorry. Sorry about that. We—Congressman, we have not closed out the program yet.

Mr. HICE. How much did it cost so far?

Governor EDWARDS. I think about \$157 million. We're expecting \$164-, \$165 million by the time it closes out.

Mr. HICE. All right. How much did you receive in Federal funds?

Governor EDWARDS. For the Shelter at Home?

Mr. HICE. Well, for the disaster as a whole.

Governor EDWARDS. Well, we—well, it's hard to answer. The Shelter at Home funding is coming from FEMA with a cost share from the State.

Mr. HICE. I think you mentioned it a while ago, 1.6 billion was approved.

Governor EDWARDS. Yeah, the chairman mentioned that. That's for the CDBG piece. It's been approved. We have not received the funding yet.

Mr. HICE. How much money has been distributed to those affected by the flood?

Governor EDWARDS. Out of the CDBG? None.

Mr. HICE. Okay. Let me—you did not call for an evacuation. Is that correct? When the report was coming the flood was on the way, what—did you call statewide an evacuation?

Governor EDWARDS. I don't know that we called for a statewide evacuation, other than in those low-lying areas where we asked people to move before the roads became impassable.

Mr. HICE. As I understand, the National Weather Service was predicting this was going to be a storm, the damage of which floods would go beyond that of 1983. Why would you not call an evacuation?

Governor EDWARDS. Yeah. I'm not sure the National Weather Service said that in advance of the rain falling. And, in fact, this was not a storm that we would typically have in Louisiana where you have a tropical storm or a hurricane.

Mr. HICE. From what I understand, the National Weather Service made that prediction. Well, let me put it this way: Did the State do everything that you could to prepare for the flood?

Governor EDWARDS. I am convinced that we did a very good job, in fact, working with FEMA, as I said earlier, before and during and in the immediate aftermath of the storm in terms of the response. Yes, sir.

Mr. HICE. So you would give yourself what kind of grade?

Governor EDWARDS. A high grade. I mean, I don't—I don't think anything is ever perfect. And, certainly, we learned lessons, but I would give ourselves a B plus, something on that.

Mr. HICE. A B plus with this kind of horrible outcome. That sounds like a very generous grade when there's—there's so much destruction.

How many people are still—have permanently still been displaced from their homes?

Governor EDWARDS. Well, I don't have the number for how many are permanently displaced from their homes in terms of not back in today, because there are multiple programs to—that provide relief for homeowners, including the National Flood Insurance Program. And I'm not sure where they are in terms of getting claims paid and homes repaired.

We do know that there were 112,000 homes with FEMA-verified loss, and that's a very significant—

Mr. HICE. But you don't know how many of those homes have been repaired or how many are back in their homes?

Governor EDWARDS. I do not know across the board. I know that there are far too many homes that are not repaired, and we have too many people who are not living in their homes, which is—which is one of the reasons that I'm here today and continue to come back asking for additional assistance.

Mr. HICE. Is it true that you were at a fundraiser in Colorado when the National Weather Service was calling for a flood in your home State?

Governor EDWARDS. No, sir.

Mr. HICE. It's not true?

Governor EDWARDS. No, sir.

Mr. HICE. Where were you?

Governor EDWARDS. I was in Colorado at a Democratic Governors' Association conference.

Mr. HICE. Okay. When did you return?

Governor EDWARDS. That afternoon. The Friday afternoon. The same day the rain started.

Mr. HICE. All right. Is it true that days following the flood, you told a media reporter that the State was not in need of Federal flood resources?

Governor EDWARDS. I don't believe I would have said that. I would have said that we—there wasn't anything that the local governments were asking for that we were unable to provide.

Mr. HICE. From what I understand, the comment was made that you did not need any Federal resources. I was wondering why you would make such a claim with such a devastating flood.

Governor EDWARDS. Well, I think the—if I recall correctly, the conversation was around requesting the Federal disaster declaration. We were working with the regional coordinating officer from FEMA to determine the most appropriate time to request that declaration. And one of the things you have to certify with my signature is that the local governments are asking for assistance we are unable to provide. It wasn't until that was the case and I was able to make that certification that we requested the declaration, which we received very, very promptly.

Mr. HICE. Well, Mr. Chairman, I appreciate it.

But, Governor, with all due respect, it looks to me like one disaster led to another disaster from decisions coming from the State. I cannot imagine how you would give yourself a B plus in this.

But with that, Mr. Chairman, I thank you, and I yield back.

Chairman CHAFFETZ. The gentleman yields back.

We'll now recognize Mrs. Demings of Florida for 5 minutes.

Mrs. DEMINGS. Thank you so much, Mr. Chairman, and also, thank you to our ranking member.

Mr. Boone, I want to ask you about—or share with you an example of your company's unacceptable performance from January. As I described this almost unbelievable series of maintenance failures, I would like to remind everyone that this happened to a real person.

This happened to an elderly woman, who had already been dispatched from her home by a flood before she ended up living in this manufactured housing unit.

First, the sprinkler covers in the unit fell off the ceiling and hit the woman, cutting her face. She was lying in bed. CB&I dispatched a technician, but that person was not able to fix the problem. There was zero followup. And then a couple of weeks later, the CB&I inspector told the resident that she should no longer cook in the unit. He said the heat from the cooking range might cause the still broken sprinkler system to flood the trailer.

Unfortunately, it got worse. At 9:30 on January 18, nearly a month after the sprinkler fell from the ceiling, the resident's unit began to flood with water from the toilet and the sewer. She called the CB&I maintenance line again to report this active flooding, and she was told that someone would call her back shortly. The flooding started about 9:30 a.m. By 6:30 p.m., CB&I still had not sent any help.

Mr. Boone, what is your response to this?

Admiral BOONE. My response—sorry. My response is that's unacceptable performance. I wasn't aware of those set of circumstances, and we should address them.

Mrs. DEMINGS. You testified that you subcontract out the maintenance of these units. Is that correct?

Admiral BOONE. Yes, ma'am.

Mrs. DEMINGS. Have you fired any of your subcontractors for their poor performance?

Admiral BOONE. We have.

Mrs. DEMINGS. Mr. Boone, how do you conduct oversight of your subcontractors to ensure that they are performing this very—the very important duties in an acceptable manner?

Admiral BOONE. We have a quality management program not only for our subs but for our own CB&I work that manages the quality of performance that we're providing.

Mrs. DEMINGS. So if that be the case, Mr. Boone, how could this unfortunate incident even be possible, since you're saying you provide oversight?

Admiral BOONE. I don't have an answer to that question. I'd have to dig into the specifics.

Mr. Fenton, how can FEMA exercise oversight of subcontractors in a more effective way?

Mr. FENTON. We do that through a number of ways. We have a contractor's officers technical representative that oversees the prime, and then have project officers that oversee the whole operation the contractors are doing. And that is where we are aware of issues, we work through the prime to make changes based on what those issues are. And there's a set of escalation activities that

would happen over the course of the contract, and we would go through those according to the regulations.

Mrs. DEMINGS. Mr. Chairman, thank you. I yield back.

Mr. CUMMINGS. Would the gentlelady yield? Would the gentlelady yield?

Mrs. DEMINGS. Yes. Yes, I will.

Mr. CUMMINGS. Thank you very much.

I want to go back to—Mr. Fenton, I want you to address some of the concerns that Mr. Harrell—

Mr. HARRELL. Yes.

Mr. CUMMINGS. —when he was talking about—when the chairman put up a chart with all those—the differences in the prices we could get things from Amazon. Talk—can you talk about that a little bit? He said there were several times when—certain situations where it would have been better if the locals—am I right, Mr. Harrell? —were allowed to do certain things.

Are you—is it that you're handicapped by regulations, Mr. Fenton? You remember—you remember the discussion, right?

Mr. FENTON. Yes. So I think, specifically, he had a number of issues going across a bunch of different programs that we have. But, specifically, with regard to our individual assistance program, it's direct assistance from FEMA underneath section 408 that we provide. Following DM82K, we lost the authority to go ahead and do direct grants to States and local governments. So the assistance flows from us to the individual, which is, I believe, the issue that's—that the gentleman is bringing up with regard to the ability to share information. When we have personal information of survivors, we're limited to what we can share as far as their personal information.

Mr. CUMMINGS. I'll get to that one. But what about the pricing? Talk about the pricing and what the chairman talked about a little earlier, the Amazon comparison.

Mr. FENTON. Sure. Sure. I don't know the specifics, whether we're comparing apples to apples or apples to oranges or whether the model numbers are correct. We'd have to look into that and do that.

We purchase based on what is—to ensure habitability, to ensure safety of the items we're purchasing. Usually, we purchase to a higher level because of the ability to track items—

Mr. CUMMINGS. Well, my time has expired, but I just—those comparisons that he made or contrasts are glaring, and I don't think that your response just now meets the level of adequate response, but I'm sure we'll get to that later.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

We'll now go to Mr. Mitchell of Michigan. You're now recognized for 5 minutes.

Mr. MITCHELL. Thank you, Mr. Chairman.

Governor Edwards, the Shelter at Home Program was put in place to allow for an alternative for residents to get temporary repairs to remain in their home versus the cost of manufactured housing units and all the others things. One of the concerns, though, is when the survey was done this past December, over 2,000 people, one-fifth of the homeowners that use the Shelter at

Home Program, 46 percent of them said that they would not return home; that, in fact, they were concerned about the shoddy repairs and questionable living conditions.

How are you resolving that given that you've given yourself a B plus grade?

Governor EDWARDS. Well, in terms of the number of folks who have not returned to the home after Shelter at Home was completed, I would tell you that the 80 percent, assuming that's representative of the entire 11,000, represents a tremendous cost savings and largely acknowledges that the program was successful in keeping people in their communities.

Further, for some of the folks who didn't move back into their homes proper because the Shelter at Home actually restored a functioning restroom and electrical service, they were able to move travel trailers and other trailers onto the property even though they weren't provided by FEMA, they weren't MHUs, and they were able to live on the properties but not in the house while they were able to do the permanent repairs.

Mr. MITCHELL. Let's talk about cost—

Governor EDWARDS. And we also made sure that the houses did not suffer mold or animal infestations, which would render them even a bigger problem for the homeowner going forward.

Mr. MITCHELL. Governor, 46 percent of the people chose not to move back in. But let's talk about cost-effectiveness.

The Shelter at Home price for, for example, electrical assistance, inspection repair, an invoice that was done that in fact the work was not done, the family did themselves—I should say, electrical systems inspection test, not repair, was over \$500. Now, I just completed a 3-hour home inspection, 3 hours inspector stayed and tested all the receptacles, opened up the panel, tested two units, heating and cooling, went up on the roof, I could give you the list, he spent 3 hours. Do you want to guess what that cost me?

Governor EDWARDS. No, sir.

Mr. MITCHELL. \$625. \$625. Just to test the electrical system cost the Federal Government, 10 percent paid by the State, but the majority by us, the Federal Government, \$527. How do you justify some of the prices? I mean, pest control. They put in a \$10 container of bug spray from Home Depot and the charge was \$425. Heck of a contract.

Governor EDWARDS. Yeah. And, Congressman, the only thing that I can tell you is that we quickly set up a program modeled after the New York STEP program and made sure that we brought in enough contractors where they would competitively bid, drive the cost down. We then used Xactimate in order to individually price the 62 repair items and drove the price down further.

Mr. MITCHELL. By bringing these contracts, how did it drive down the price, when, in fact, I made a phone call through a realtor that referred me to a gentleman, and it was \$625? I didn't have to bring in a whole lot of contractors to get competition. I mean, how is it that we got—how did that work?

Governor EDWARDS. Well, I think the nature of the program was a little different when we were looking at, at that time, as many as 20,000 homes, and we ended up doing a little less than 11,000.

Mr. MITCHELL. But we paid in this instance just to inspect and test an electrical system over \$500. I mean, I understand the scale is different, but the reality—

Governor EDWARDS. But, Congressman, my point was we had multiple contractors who were bidding costs. We then analyzed those costs. We drove them down even further using the Xactimate to make sure that we did reduce the overall cost of the program. And would we have liked to have reduced it further? Yes, we would have. But at the end of the day, the cost of the Shelter at Home Program was much less than the cost of putting them in hotels or motels.

Mr. MITCHELL. Well, let me—

Governor EDWARDS. Certainly a mobile—manufactured housing units, which really weren't available.

Mr. MITCHELL. Before I retired, I was a State and Federal contractor at points in time, and I have better than—those are quite nice contracts in terms of the markup that the chairman noticed on some of the materials: \$525 to test an electrical system. And, frankly, if 46 percent of the customers that I worked with failed to succeed, they'd have terminated my contract.

How many contracts did you—how many contracts did you terminate out of the build—the home program?

Governor EDWARDS. I don't know how many we terminated in terms of the construction contractors. I do know that we moved some work around and took some work from some who were being slow and gave it to other contractors.

But I will tell you, with respect to the chairman's pricing, you should note that the prices he mentioned did not include the cost of labor or the insulation materials on those things, which—

Mr. MITCHELL. But it did include Amazon Prime, Amazon dropping them off at their doorstep, sir.

My time has expired, but one comment for you. With all due respect, sir, I suggest you reconsider the grade of B-plus because, in my view of this, the Shelter At Home Program reflects a lot of failures, and I wouldn't grade it a B-plus. Thank you, sir.

Governor EDWARDS. Thank you.

Chairman CHAFFETZ. The gentleman yields back.

We'll now recognize Ms. Plaskett from the Virgin Islands for 5 minutes.

Ms. PLASKETT. Thank you, Mr. Chairman and Ranking Member, for holding this hearing.

FEMA, of course, we understand is very important and the work that their contractors do for communities who are in these flood areas and who are in—have natural disasters are paramount. So I am here not just speaking on behalf of those communities, such as my colleagues Congressman Richmond and Congressman Graves, but my own community in the Virgin Islands, as well as Florida and the Southeast.

Admiral Boone, I want to ask you about a statement that you made this morning. It's in your oral statement as well as your written statement. I'm going to quote you as having said, "We have received only positive comments and glowing accolades from FEMA at all levels about our performance under this task."

Admiral Boone, would you stand by that statement?

Admiral BOONE. Absolutely. So, during the events, we obviously were ramping up to address the tasking we were getting from FEMA. So, on a continuous basis, I asked my vice president of operations and the project manager—

Ms. PLASKETT. And who would those individuals be?

Admiral BOONE. Larry Hauser and Kevin Neal.

Ms. PLASKETT. Okay.

Admiral BOONE. —who had a recurring and regular relationship with FEMA officials, for feedback on what their perception of our performance was. And so we, as late as a week and a half ago, continue to receive very positive comments.

Ms. PLASKETT. Well, that's a problem to me on a couple of levels: one, that you would state that continuation of positive comments and glowing accolades, and particularly, as you mentioned, Kevin Neal as being someone—I believe he—we have him listed as your senior project manager, correct?

Admiral BOONE. Yes, ma'am.

Ms. PLASKETT. Because our—the committee received documents from you, and we have an email of September, dated September 27 of 2016, and that's from FEMA's Region VI branch director, Robert Jones, addressed to Mr. Neal. And in that email, the FEMA branch director wrote, and I quote, "Please get your crews in line so that we are able to move forward with these issues with minimal issues. Today, I am scrubbing my emails, and I have seen at least 20 problems with your subs. Please drop the hammer on these guys because their performance does not look good on you and your reputation that you and your team have established."

Have you seen that email? It's up there for you.

Admiral BOONE. No, ma'am.

Ms. PLASKETT. Because that's an email that your company submitted to us from FEMA to Mr. Neal, who is telling you that he's getting glowing comments from FEMA. Do you view this email as positive comment or an accolade?

Admiral BOONE. No, ma'am.

Ms. PLASKETT. I didn't either. So why was it necessary for FEMA to send this email to your company and tell you to drop the hammer on your subcontractors?

Admiral BOONE. I don't know. I haven't seen the email and the total context of the issue. So that's something to be looked at.

Ms. PLASKETT. Well, we know from our investigation that we've had several issues. We heard from Congresswoman Demings about the woman that was an unfortunate victim. We also have information about another person who had—Mr. Everett Wilson, an 84-year-old blind Air Force veteran who was found dead in a housing unit because of a malfunctioning thermostat that CB&I was supposed to have replaced back in August and October 2015. So you know about those issues.

Admiral BOONE. So the thermostat was not to be replaced prior to his passing; that came out afterwards, just to be clear on that issue.

Ms. PLASKETT. But we know that thermostats needed to be replaced, correct?

Admiral BOONE. We didn't receive that direction from FEMA until into October.

Ms. PLASKETT. Well, in a meeting after Mr. Wilson's death, CBI told FEMA that you had replaced at least 40 thermostats in the week immediately preceding Mr. Everett's death, did you not?

Admiral BOONE. I don't know that fact.

Ms. PLASKETT. So if you—you knew that thermostats needed to be replaced. Maybe his was scheduled to be replaced after his death—

Admiral BOONE. We didn't—

Ms. PLASKETT. —but you had been replacing other thermostats before his death.

Admiral BOONE. We didn't know about the thermostats until after his passing.

Ms. PLASKETT. You didn't know what about the thermostats?

Admiral BOONE. The replacement. We didn't receive direction from FEMA until after his passing.

Ms. PLASKETT. But why, then, would you have replaced 40 of them before his passing?

Admiral BOONE. Perhaps those thermostats were discovered defective on an inspection. I don't know about the—

Ms. PLASKETT. Forty?

Admiral BOONE. I don't know—

Ms. PLASKETT. Not one; 40.

Admiral BOONE. I understand.

Ms. PLASKETT. So, obviously, you had some schedule of replacing them before his death.

Admiral BOONE. There were 3,000—well, at that point, I don't know how many trailers. But I don't know the specifics of that. So I can't answer that question.

Ms. PLASKETT. Okay. I'm sorry. I've exhausted my time.

Chairman CHAFFETZ. Will the gentlewoman yield?

Ms. PLASKETT. Yes, sir.

Chairman CHAFFETZ. Following up, both CB&I and FEMA, we have asked you for the emails relating to this issue. You have not provided those in their totality to this committee. I need you to both tell me when we're going to get those emails.

Mr. Fenton?

Mr. FENTON. I was told that any email with regard to this incident was provided to you. If that's not the case, I'll go back and—

Chairman CHAFFETZ. We don't believe it is. We believe that production is incomplete.

Mr. FENTON. Okay. Well—

Chairman CHAFFETZ. We need you to come back to us and tell us when we have 100 percent of the documents that we requested.

Mr. FENTON. I'll personally go back today and make sure you receive everything. There's nothing that—

Chairman CHAFFETZ. Appreciate it.

Mr. FENTON. —we're going to hold. We'll give you everything that we have.

Chairman CHAFFETZ. Appreciate it.

Mr. FENTON. Yes, sir.

Chairman CHAFFETZ. Mr. Boone?

Admiral BOONE. Chairman, we received notification only last week to provide—

Chairman CHAFFETZ. The letters went out on March 21—

Admiral BOONE. Right.

Chairman CHAFFETZ. —which is not just last week, but keep going.

Admiral BOONE. We have provided over a million pages in documents in various forms and formats. So we will continue to work as diligently as possible. I've devoted resources and focus to this. So we're continuing to work this.

Chairman CHAFFETZ. So the question is, when are we going to get 100 percent?

Admiral BOONE. I'll have to go back to staff and see what—but we're working this as diligently as possible.

Chairman CHAFFETZ. You did give us a fairly sizeable document dump of invoices and individual things, but this is something we specifically have asked for, and I just want to make sure Ms. Plaskett and the whole committee gets these as well.

Admiral BOONE. Yes, sir.

Chairman CHAFFETZ. You'll get us an estimate on the date of that?

Admiral BOONE. Yes, sir.

Chairman CHAFFETZ. Okay.

Ms. PLASKETT. And, Mr. Chair?

Chairman CHAFFETZ. Yes. Go ahead.

Ms. PLASKETT. I would just want to know if Mr. Boone, Admiral Boone, at this time would like to retract that statement that he had made previously, which is on the record under oath. I don't want him to get himself in trouble at this point.

Chairman CHAFFETZ. Which statement?

Ms. PLASKETT. About having had only accolades and good words from FEMA.

Admiral BOONE. I can only attest to the feedback that I have received. Obviously, you've presented some information I haven't seen before. So I'd like the opportunity to review that before I make any changes to my statement.

Mr. CUMMINGS. Would the gentlelady yield?

Ms. PLASKETT. Yes, sir.

Mr. CUMMINGS. Mr. Boone, your company has a problem. If I were running your company and I had these kinds of problems and something did not flow up to me, the very things that could destroy my business, there's something wrong with the company; there's something wrong with the management. And it might be you, but there's something wrong.

Anyway, I yield back.

Chairman CHAFFETZ. The gentlewoman yields back.

I would now recognize the gentleman from Florida, Mr. DeSantis, for 5 minutes.

Mr. DESANTIS. Thank you, Mr. Chairman.

Mr. Fenton, I just want to ask while I have you here, we obviously suffered damage on the East Coast of the United States. I represent Florida. The Stafford Act has the public assistance program that can fund replacement of sand on damaged public beaches under certain conditions. And we currently in Florida have the State and then localities working to secure funding to restore some of the dune structure prior to the next hurricane season.

It's a tough process. We have partners who are kind of ready to go. Can you commit to really working to streamline this so that whatever we can get lined up, we can get lined up before the next hurricane season, when there's some significant safety concerns?

Mr. FENTON. I'm not aware of the specific situation. I am aware of policies to replace sand on beaches, that they have to be engineered. Typically, my experience is what holds it up is environmental and other requirements in order to go ahead and move forward on that. But I'll look into your specific issue, sir, and make sure that we're moving as quick as we can with the authorities to go ahead and repair that.

Mr. DESANTIS. Yeah. I appreciate it—

Mr. FENTON. Yes, sir.

Mr. DESANTIS. —because there's been significant damage to some of the dune structure such that, if we do have another major storm surge, I mean, there's much less protection. And I think it could be corrected, but obviously we need to get our ducks in a row.

The other issue I think people have run into is the debris removal and getting the reimbursements. The guidelines that FEMA has are very confusing to a lot of our local folks, and we work with them as best we can, but it's a cumbersome process. And I was wondering, do you think there are ways that either Congress could revise the Stafford Act, or can FEMA revise its guidelines for debris removal so that we can avoid some of the delays in reimbursements? Because some of the local governments, it will take years for them to get reimbursed, and it's tough for them, because they don't have a credit card like the Federal Government does.

Mr. FENTON. So debris in public areas, public rights of way, is eligible. And, basically, what we require is monitoring so that we ensure that what we're providing is what was removed, reduced, or eventually put into landfills or other means. I think where it becomes difficult is when we start talking about debris removal on private property, and that becomes the issue. And typically it's—we based our rules on what the local ordinances are and declaring that it's a public health threat in order to move it off there.

So our authority applies to public rights of way, public areas. It has to be an imminent threat to public health and safety to remove that. I think it's pretty easy when you're in that area. When you get into private property, it's more difficult. And we've done a number of things to provide guidance, training to make sure that we've made our rules more simple for private property debris removal, which is usually the more difficult.

Mr. DESANTIS. Well, if you guys can, you know, work to proactively relay that and try to alleviate some of the confusion, I think that would be helpful, because I think that there are these issues where they're just trying to figure out what they got to do. They want to get rid of it. They're going to front money, but they want to at least know whether it's going to be eligible for reimbursement. So I appreciate that. And if you can follow up with me about the dunes, we'd appreciate that very much.

I'll yield back the balance of my time to Mr. Chaffetz.

Chairman CHAFFETZ. Governor, how many people are still displaced?

Governor EDWARDS. Chairman, I am not certain, as I sit here today, how many of our homeowners are not at home. We know that there are, I think, 250 families still in hotels and motels. We know that there are a number of individuals who, for example, under the National Flood Insurance Program either are starting to work or haven't had their claims paid yet, and they are trying to get back in as well.

Chairman CHAFFETZ. But do you have a guess as to how many people are displaced?

Governor EDWARDS. I don't have a guess. I would be able to perhaps—

Chairman CHAFFETZ. Governor—

Governor EDWARDS. —get you the information. We have a number of individuals, for example, who are living with family members, and so it's—to get you the number is very difficult. We know that there are thousands of families not yet living in their homes. I can give you a more precise answer after we do some analysis and we look at it across the various programs.

Chairman CHAFFETZ. Governor, you know how bad that looks, right? I mean, you are coming here for a hearing about this, and you don't even have a guess as to how many people are displaced?

Governor EDWARDS. I do not.

Chairman CHAFFETZ. You're that clueless?

Governor EDWARDS. I'm not that clueless. We have a lot of people in homes that are not yet fully repaired. A lot of people are not in homes—

Chairman CHAFFETZ. A lot.

Governor EDWARDS. Yes.

Chairman CHAFFETZ. A lot. What does that mean?

Governor EDWARDS. Well, you know, it means a great number. It means too many.

Chairman CHAFFETZ. Come on, Governor. Seriously.

Mr. Fenton, what's your estimate?

Mr. FENTON. If—I believe 4,500 people staying right now in mobile homes. You have less than 2,000 that we're providing rental assistance to right now. You have the 250 the Governor talked about that are still in our hotel program, and then I believe there is some population that's still with friends and families. And that's the population that we will get a better handle on as we start doing case management with individuals that still have housing issues that we're going to work with them to figure out what assistance they need to ultimately move back into their homes.

Chairman CHAFFETZ. Mr. Harrell, what—tell me what it's like right now.

Mr. HARRELL. Well, let's talk about the number of folks that are still not in their home. Let's go back to number one on my testimony: information sharing. I don't have a clue. I want to know how many. I want to know where they stand. FEMA is out doing the assessments with all their teams. They're telling me they're doing great things. I know nothing about it because they will not share with me.

It is our citizens. It's my responsibility to make sure they're taken care of, but we're out of the loop. I can't tell you how many. I wish I could.

Chairman CHAFFETZ. Okay. Mr. Fenton, why don't you tell him?
Mr. FENTON. Well, we can't share specific information on individuals due to Freedom of Information—

Chairman CHAFFETZ. What do you mean Freedom—

Mr. FENTON. I mean, not Freedom. With regard to their personal information, and we can't share their personal information and their specific status. However, through the case management—

Chairman CHAFFETZ. Why not? Why not?

Mr. FENTON. Because it's personal information, and we can't go ahead and give that—

Chairman CHAFFETZ. Well, I'm not suggesting you print it in the paper.

Mr. Harrell?

Mr. HARRELL. If we can't do it on individual assistance, is what he's saying, however, when we do the Hazard Mitigation Grant Program and do elevations and acquisitions, they send a list with the allocation and say, "This is the folks that qualify for the program," their name, their address, their phone number. We have to process every bit of their private information. So what is the difference in the Hazard Mitigation Grant Program after the storm and not letting me have it during the disaster, where we can maybe get it to private nonprofit groups that maybe could help these citizens a little bit more?

Chairman CHAFFETZ. Okay. I've gone well past my time. We've got to continue to explore that.

Mr. Fenton, go ahead.

Mr. FENTON. I meant to say Privacy Act. I'm sorry.

Chairman CHAFFETZ. That's fine. I understand.

All right. Let's now recognize the gentleman from Pennsylvania, Mr. Cartwright.

Mr. CARTWRIGHT. Thank you, Mr. Chairman.

Governor Edwards, we're here talking about the historic flooding that hit Louisiana and the Baton Rouge community in August 2016. Congress appropriated about \$437 million on September 29, 2016, for the victims of the flooding in Louisiana.

This committee, the Oversight and Government Reform Committee, has received a letter from the Trump administration, dated February 14, 2017, from the General Deputy Assistant Secretary of HUD commending you and the State of Louisiana on your quick work in developing an action plan on how to use those funds. The letter states, and I'm going to quote: "The Department would like to commend the State for its commitment to increasing the speed of recovery. This is evidenced by the historically fast action plan submission," unquote.

Now, Governor Edwards, I want to ask you: How long did it take you to submit that action plan that you were commended for?

Governor EDWARDS. Well, it took us 17 days after the Federal Register notice went out to submit that action plan. And this ties back in with some of the information and questions we got earlier today. There have been two appropriations that total \$1.6 billion. Both action plans were submitted, the first one 145 days ahead of the deadline and the second one 8 weeks ahead of the deadline. And the money actually became obligated yesterday when HUD signed and completed the execution of the grant agreement. The

money is not yet available because the line of credit has not yet been established. That typically happens several days, maybe a week or two, after the grant agreement, which answers the question of the chairman and others as to why none of the \$1.6 billion has yet reached homeowners; it has not been available.

But if you look, it is historically fast. In fact, the timeline associated with this said the \$438 million would typically be available in May. It was available—it should be available much sooner than that. And in terms of the second appropriation, it would be July. But it was folded into the grant agreement with the first appropriation and should be available much, much sooner than that.

And I'd also point out that the other grantee States in the September appropriation have yet to submit their first action plan.

Mr. CARTWRIGHT. Well, all right. So, not to put too fine a point on it, while your actions have been very quick, it's obvious that you've been frustrated by the State's inability to distribute those funds. And, again, would you explain for us what obstacles your State has faced in distributing this money to the victims of the flooding?

Governor EDWARDS. Well, in that way, I share those frustrations with you and the chairman and others, and nobody's more frustrated than the homeowners in Louisiana. But to say that the State was delaying or dilatory in the way that we approached this would not be true, as evidenced by the letter we got from HUD, for example, that called our work historically fast. But there is a huge bureaucracy that still has to be negotiated. There are lots of hurdles that you have to overcome and obstacles you have to go through in order to access the funding, but we are in the position now with the money finally obligated yesterday, on Monday of next week, we're actually going to stand up the program in terms of a call center and a survey that will go out to the affected homeowners and should be able to proceed without delay going forward. And that is the good news.

We still have about a billion dollars of unmet need on the housing piece alone, which we're hoping some or all of that will be appropriated in the next continuing resolution.

Mr. CARTWRIGHT. Governor, did the State of Louisiana have the resources to front this money and then seek reimbursement from the Federal Government later?

Governor EDWARDS. No. I wish we had. My predecessor left me with a \$2 billion State general fund deficit for the current fiscal year, and the budget is more than tight. We certainly did not.

Mr. CARTWRIGHT. Well, Governor Edwards, I commend you and the State of Louisiana for taking charge of the lengthy process of seeking disaster aid for the Baton Rouge community. Your administration acted swiftly and decisively. We in Congress really ought to take a page out of your book and focus on making processes faster here in Washington as well. Thank you very much.

Governor EDWARDS. Thank you, Congressman.

Mr. CARTWRIGHT. I yield back, Mr. Chairman.

Chairman CHAFFETZ. The gentleman yields back.

I now recognize the gentleman from North Carolina, Mr. Meadows.

Mr. MEADOWS. Thank you, Mr. Chairman.

Governor, I'm confused. You are there pointing the finger at someone else, and you can't answer the very basic question of how many people are not back in their homes, and you're somehow pointing towards a previous administration on your inability to answer even the very basics of questions, Governor? How is that?

Governor EDWARDS. I think the comment I made about the previous administration had to do with—

Mr. MEADOWS. So let me ask about this administration. Why did you cancel a \$250 million flood recovery contract just a few days ago?

Governor EDWARDS. We didn't issue the contract. We pulled—

Mr. MEADOWS. Why did you cancel it?

Governor EDWARDS. We didn't cancel it.

Mr. MEADOWS. Well, according to my documents, that you canceled that on March the 16th, 2017, and you basically—because Mr. Bankston had an opinion that it needed to be canceled.

Governor EDWARDS. Well, there was no contract issued. We pulled back the RFP. We reissued the—we started the process over again.

Mr. MEADOWS. Why did you get rid of that particular vendor? Because what I understand is, is they had submitted a proposal, it was going forward, and one person, Larry Bankston, somehow said that there was a problem there, Governor.

Governor EDWARDS. Well, I think that's inaccurate. The licensing contract board voted to adopt that opinion as its own. At that point in time, the first two finishers in—

Mr. MEADOWS. Does Mr. Bankston's son work for a competing contractor in that?

Governor EDWARDS. You know, I've heard that. I'm not certain.

Mr. MEADOWS. So how can you be so certain about some aspects of this, Governor, and yet seem to have no recollection on the facts and the questions that we have to ask here this morning?

Governor EDWARDS. Well, first of all, I think I had a pretty good handle on the facts and—

Mr. MEADOWS. So how many people are displaced?

Governor EDWARDS. Well, I've answered that particular question as best I can.

Mr. MEADOWS. No. Well, you haven't answered it. You said you don't know.

Governor EDWARDS. I said as best I can this morning, I've answered it for you, Congressman.

Mr. MEADOWS. So were you surprised that you were going to be testifying here this morning?

Governor EDWARDS. No, sir.

Mr. MEADOWS. Then why would you not have the—I mean, we're talking about real people's lives here, Governor. And if you have a compassionate bone in your body, wouldn't you think that you would know the number of people that have been affected by this?

Governor EDWARDS. I know the number of people who have been affected, Congressman.

Mr. MEADOWS. Still.

Governor EDWARDS. The question is how many people are out of their homes today. And we don't have any information where we can roll that up and know how many people—we know how many

are, obviously, in manufactured housing units; we know the 250 who are in——

Mr. MEADOWS. So do you believe that you are without blame of any of the responsibility of getting people in proper housing in the appropriate manner, that you are completely blameless in all this, Governor?

Governor EDWARDS. I would never say that I'm completely blameless. And, in fact, I said we've learned lessons; we could do things better. And hopefully there——

Mr. MEADOWS. But you were sitting there comparing your norms to historical norms.

Governor EDWARDS. Well, I was quoting a letter that——

Mr. MEADOWS. And sometimes when you compare to historically bad things, that doesn't mean we're making much progress.

Governor EDWARDS. Congressman, I was quoting a letter that came from HUD that said we were historically fast in the State action plan submission and approval. That's a fact.

Mr. MEADOWS. All right. Well, we want more information on exactly why this RFP was rescinded and if there was a conflict of interest, because some of our information would indicate that there might have been. And I'm not asking you. I'm asking you to get back to this committee to help illuminate that particular idea, because if there's a conflict of interest because of bidding improprieties, that's a major concern to this Oversight Committee. Wouldn't you agree it should be?

Governor EDWARDS. Well, it should be if that happened. The RFP was pulled back——

Mr. MEADOWS. So you're saying it didn't happen?

Governor EDWARDS. I said "if that happened." I didn't say whether it did one way or the other.

Mr. MEADOWS. All right. But you'll find out and get back to this committee?

Governor EDWARDS. Sure. We will find out——

Mr. MEADOWS. Okay. Thank you. Let me go out a little bit further, because I'm out of time.

Mr. Fenton, let me tell you: I have a good relationship with FEMA. We've had major storms of North Carolina. I love my FEMA people. But let me tell you: Something I saw today just stinks to the core. We've got emails that would suggest that the number one priority that FEMA had was a political motivation prior to an election that says, and I quote: We have no way to predict what news will—this will do to our operation and congressional offices will use prior to an election.

Wouldn't you think the major component for FEMA would be to get people in housing and make sure that that housing is safe, and it has nothing to do with political consequences?

Mr. FENTON. Yes, sir.

Mr. MEADOWS. All right. Well, let me go even further, because that was troubling enough, but this is extremely troubling: a FEMA document where it talks about the number one priority for FEMA was negative publicity. Should that be the number one priority?

Mr. FENTON. No, sir.

Mr. MEADOWS. All right. So let me show you what the lowest priority was, and this is from your document. And this is very, very troubling, because the lowest priority, tier 3 is what you have, which it says, "lowest priority," and it has to do with mobile home units issues.

It says: Status, we have an applicant calling stating that they have a 2-year-old special needs child who has desperate need for surgery but can't get surgery until they have a stable living situation instead of their 30-foot camper. The child is very sick, and they have nowhere to go at this point, and they need—an MHU is needed as soon as possible.

And you had it as a low priority, tier 3? What in the world could have put this as a low priority?

Mr. FENTON. Sir, my priority is survivors. And I don't know where that document came from, but I'm going to find out after this, and I'll make sure that we change the—whoever wrote its priorities.

Mr. MEADOWS. I would suggest that we quit looking at the political motivations and start taking care of people.

And I'll yield back.

Mr. FENTON. I concur.

Chairman CHAFFETZ. I thank the gentleman.

We'll now recognize the ranking member, Mr. Cummings.

Mr. CUMMINGS. Mr. Fenton, my experiences with FEMA have been very good, as the gentleman from North Carolina. And I assume that that is not your position, that low priority situation there, because all of my dealings, I've found them to be very responsive.

Mr. FENTON. No, sir.

Mr. CUMMINGS. And—hello?

Mr. FENTON. No, sir. That's—my priority is survivors. My priority is not that document. I don't know where that document came from, but I'll resolve it when I get the document and I get back to my office.

Mr. CUMMINGS. Thank you. Yes, sir.

On October 25, 2016, Everett Wilson was found dead in his housing unit because it turned into an oven due to a broken thermostat that blew heat nonstop. He was 84 years old, blind, and served our country in the Air Force, a veteran. What we don't know is why Mr. Wilson's broken thermostat was never fixed.

As part of our investigation, our staff spoke several times with Mr. Wilson's caretaker. She told us that, in the weeks leading up to Mr. Wilson's death, she repeatedly called for maintenance help. In response, she says a maintenance person was dispatched to Mr. Wilson's unit, but he said he was not qualified to fix HVAC systems and had no one else—and that no one else ever came.

Mr. Boone, according to your written testimony, and I quote, it says: "FEMA contracted with CB&I Federal services to transport, install, and maintain mobile housing units for approved disaster victims," end of quote. Is that right.

Admiral BOONE. Yes, sir.

Mr. CUMMINGS. Mr. Wilson's unit was one of those units that you were contracted to transport, install, and maintain. Is that right?

Admiral BOONE. Yes, sir.

Mr. CUMMINGS. Your attorney sent a letter to the committee on March 29, 2017, and it stated, and I quote: “The maintenance call logs included for this production reflect the fact that there was not a single call made to a call center regarding the trailer on Lot 5, nor were there any calls associated with the name of the applicant.”

Are you telling us today under oath that your company never received a single call from Mr. Wilson’s unit, the veteran that I just talked about, the one who died because he roasted to death, I guess, or do you believe that it’s possible that your company did receive a call that may not have been properly logged?

Admiral BOONE. We—

Mr. CUMMINGS. It doesn’t sound like you’re getting all the calls, as I stated a little earlier. Go ahead. I’m listening.

Admiral BOONE. What you said is correct. We never received a call on either his unit, Lot 15, or anything referencing Mr. Wilson’s name.

Mr. CUMMINGS. Okay. Our staff reviewed the maintenance call logs, and there were numerous errors in the weeks before Mr. Wilson’s death, including incomplete names, phone numbers, and addresses. In the weeks right before Mr. Everett’s death, our staff found at least 25 work orders for heating and air-conditioning issues. They sound a lot like what we heard from Mr. Wilson’s caretaker. They describe defective HVAC systems and systems continuously blowing hot air. Two of these work orders say that the technicians dispatched to the sites were unable to perform the repairs and had to call for other technicians to perform them. That sounds almost exactly like what we heard from Mr. Wilson’s caretaker.

Now, Mr. Boone, were you aware before October 26 that there were issues with thermostats in some of these mobile units?

Admiral BOONE. I was not aware of the numbers. It’s not uncommon to have system breakdowns, and so we do the maintenance and repair as required.

Mr. CUMMINGS. And you’re based down there in Louisiana? Are you based there?

Admiral BOONE. I am based in Alexandria, Virginia.

Mr. CUMMINGS. Okay. And so—but this is a big contract for you. You’ve made a big deal of how you knew a lot of the people and—

Admiral BOONE. We have offices down there, yes, sir.

Mr. CUMMINGS. So do you feel that your company has any responsibility here?

Admiral BOONE. Directly related to Mr. Wilson’s death, no, sir. Obviously, some information’s been presented here that we need to look into.

Mr. CUMMINGS. So you don’t think there’s anything you could have done better?

Admiral BOONE. We—

Mr. CUMMINGS. Your company could have done better.

Admiral BOONE. We did what was required by the contract. We’re interested in working with FEMA to see if there’s any patterns that could be improved.

Mr. CUMMINGS. So you said you did what was required by the contract, and an 84-year-old man is dead, and your company was

responsible for making sure his unit was operational, and you don't even know that you're getting correspondence from below, but you did nothing wrong? But he's dead. Dead.

Admiral BOONE. Sir, I appreciate the seriousness of that, absolutely.

Mr. CUMMINGS. Mr. Boone, do you commit to providing all the documents that have been requested by the committee?

Admiral BOONE. Have we provided?

Mr. CUMMINGS. I said, do you commit to—apparently you told us you had sent in a million. How many—I mean, do you have many more that we need to—that we need to have access to?

Chairman CHAFFETZ. Will the gentleman yield for a second?

Mr. CUMMINGS. Yes, of course.

Chairman CHAFFETZ. I want to follow up on what Mr. Cummings—before we get to the document production, I want to follow up on this for a second.

You gave yourself a—you said you're highly successful, Mr. Boone. On January 4 of 2017, FEMA officials circulated an email pointing out that you, the contractor, had a completion rate for December of 10 percent—10 percent. How do you say you're highly successful when only 10 percent of the maintenance calls you actually complete?

Admiral BOONE. Well, again, I haven't seen that document. I haven't seen the context of that communication. I've never seen—

Chairman CHAFFETZ. Mr. Fenton, is that true? Did FEMA put that out that only 10 percent?

Mr. FENTON. I'm not aware of—

Chairman CHAFFETZ. Come on, guys. Get aware. The Governor doesn't know how many people are displaced. You don't know how many maintenance calls are being missed. You don't—you call yourselves highly successful. The Governor gives himself a B-plus. And maybe the reason you're not responding to all the maintenance calls is because you put the wrong maintenance number on the trailers. Correct? Correct?

Mr. FENTON. I'm not aware of—

Chairman CHAFFETZ. You're not aware of that either.

Mr. FENTON. No.

Chairman CHAFFETZ. You provided the documents to us. We actually read them. Maybe you should read your documents. You all together decided to combine one telephone number, "Hey, let's make this easier." Sounds good. Guess what? The sticker you put on the trailers, wrong telephone number. No wonder you're not getting any calls. You put the wrong telephone number there. And then the people who still figured it out, CB&I only responds to 10 percent of them.

Mr. FENTON. What I was referring to, as far as not knowing the 10 percent in the specific letter you're looking at, when we wrote to CB&I, we wrote in our letter that a concern of 33 percent of the calls have no response information. So that's what I am aware of of the letter that we generated over there, but I don't have specific knowledge of the email that you're talking about.

Mr. CUMMINGS. Let me—

Chairman CHAFFETZ. Yes, sir.

Mr. CUMMINGS. You know, the chairman and I have done a number of things on a bipartisan basis, a lot, and one of the things that we spent a lot of time on is the Secret Service. And both of us agreed that we wanted excellence. We wanted high standards. We wanted the elite of the elite. We wanted people to be treated—we wanted Secret Service agents to treat their jobs as if they were the most valuable jobs in the world and that every single thing that they do is so very, very important.

And I just think—I just—and I say that to say this, that sometimes I think we in our country in certain areas are moving towards a culture of mediocrity, but that mediocrity can cause people to die and to suffer. And I've got to tell you: Information is very important. I don't even know how you operate without information, and adequate information, Mr. Boone. And so I'm just—some kind of way, you got to get a handle on this, or I don't see how you—how a company can continue to function and really make money and stay in business unless you have information and then unless you're operating to a high—a very high standard.

With that, I'll yield back.

Chairman CHAFFETZ. I thank the gentleman.

We'll now recognize the gentleman from Alabama, Mr. Palmer.

Mr. PALMER. Thank you, Mr. Chairman.

Mr. Fenton, what does FEMA do with their excess mobile home units?

Mr. FENTON. Some of them—depending on the condition, some are retrofitted and brought back to the yard for future deployments. Sometimes we go through the GSA excess schedule, and GSA excesses them for us through their schedule. And in some case—

Mr. PALMER. What does that mean? What does through the GSA schedule? What does that mean?

Mr. FENTON. It means that we sell them at the location that were there, that they're at, that it's—

Mr. PALMER. What's the average cost of one of these mobile home units?

Mr. FENTON. I'm sorry? Again?

Mr. PALMER. What's the average cost of one of these mobile home units?

Mr. FENTON. I believe the average cost is somewhere around \$60,000.

Mr. PALMER. And what is GSA selling them for?

Mr. FENTON. I don't know. It ranges.

Mr. PALMER. I'll tell you what they're selling them for. They're under \$11,000. Sounds like a pretty bad deal to me.

Let me ask you this: Are any of the used units offered to State and local governments?

Mr. FENTON. Yes, sir.

Mr. PALMER. And how do you do that?

Mr. FENTON. Going through the GSA excess schedule. It goes through a number of steps, where we look at purchasing, the potential for—to go to States, local governments, nonprofits eventually. So you go down that. It's in the GSA regulations of how to access accountable property.

Mr. PALMER. How does GAS contact a State emergency management agency? Could you—I mean——

Mr. FENTON. They put it out. There is a website——

Mr. PALMER. They post it on a website?

Mr. FENTON. Yeah. They post it. And typically, my experience, having done this before, back in Region IX where I'm from, is typically any time we're doing that, I make the State emergency management—notify them where we're headed with that.

Mr. PALMER. So, when you have excess mobile home units, you contact GSA first?

Mr. FENTON. Yes. We contact GSA because that's the entity within the government that then has the authority to excess property either through sales or through eventually providing it to States or local governments, yes, sir.

Mr. PALMER. So you don't contact the States to let them know?

Mr. FENTON. I—personally there's communication that we make them aware of it, but officially, GSA's the one that puts out the information.

Mr. PALMER. Well, the committee heard from several States this morning that they've been looking for mobile home units for donation and have been told that you're unable to find any. And just 2 weeks ago, GSA was selling 20 units at auction.

You know, I've been sitting here listening to the questions and your responses, and one word keeps popping up: incompetent. It's unbelievable. I mean, you got States looking for these units. You got local governments looking for them. They can't get any from FEMA. They're not getting them from GSA, but you're selling units that average \$60,000 or \$70,000—and some of them are a whole lot more than that—for \$11,000, at a terrific loss to the taxpayers. And, I mean, you guys look like the gang that can't shoot straight.

Mr. FENTON. If I could answer, sir.

Mr. PALMER. You may if you can.

Mr. FENTON. Yeah. So we purchase them for \$60,000. When they get used, they're depreciated based on the amount of money it takes to——

Mr. PALMER. You're selling some new units.

Mr. FENTON. I'm not aware of new units that we're selling, sir.

Mr. PALMER. I looked it up while I was sitting here listening to you. There are some listings for new units.

Mr. FENTON. Okay. Well, we take—what we do is we look at the value that they're at, the cost to retrofit them, the cost to bring them back to the yard that we would be at, and then figure out the cost to sell them.

Mr. PALMER. Well, how do you respond to the fact that States this morning, including the State of Alabama, contacted the committee and said, "We've not been able to get units"?

Mr. FENTON. We have to go through the process with GSA to see if we could sell them first. If they're not—if no one wants them on that market——

Mr. PALMER. Wait a minute. You have to see if you can sell them first——

Mr. FENTON. Yes.

Mr. PALMER. —before you would donate them to the State?

Mr. FENTON. That's right. Yeah.

Mr. PALMER. And you can't offer—you can't give the State the option to buy a unit? In.

Mr. FENTON. Yeah. The State can buy the unit, but it would be through that same process. Just recently I did a mobile home program in California where we ended up giving 70 mobile homes to the State of California. So we—

Mr. PALMER. Say that again.

Mr. FENTON. I said back in my region, Region IX, before being Acting Administrator for the last couple of months, I had a mobile home program in California from the fires, and we ended up providing 70 mobile homes in California in that event. So, in that event, after we went through the mobile home program and we had mobile homes returned and we had excess that we ordered, we went ahead and, rather than ship them back to Selma, we went ahead and provided them to the State of California, which were used on another fire through the State.

Mr. PALMER. Well, again, listening to the testimony this morning, it's disturbing to me, Mr. Chairman, that a Federal agency has failed in so many respects. And I think maybe we need to look at this process, we need to make some corrections and see if we can't be a little bit more responsible, well, actually, a lot more responsive to the State and local governments when they have needs like this.

I yield back.

Chairman CHAFFETZ. I thank the gentleman.

We'll now recognize the gentleman from Louisiana, Mr. Graves.

Mr. GRAVES. Thank you, Mr. Chairman.

I'd like to thank you and Ranking Member Cummings for your time and effort here on this flood. This is not something that is just relegated to Louisiana. This, unfortunately, is a flood disaster that is going to have repercussions around the country on many folks if we allow this type of incompetence to continue. This is not the first flood, yet in many instances, it appears that some of the reactions to this makes it look like this is the first disaster we've ever seen as a country, and it's awful.

Mr. Fenton, I'm not sure what—Administrator Fenton, I'm not sure what grade you give FEMA. I've ridden out disasters with you all before. The performance I've seen here is one of the worst, unfortunately, one of the worst I've ever seen, and I think it absolutely has exacerbated the impact on the flood victims.

Specifically, when you look at what happened after the flood, community members came together, and, I mean, literally, I watched people give their shirts off their backs because people had just wet clothes, because they came out in a boat or whatever else, literally took the shirt off their back, literally took food out of their freezer, literally housed strangers in their homes, businesses, churches, elsewhere. This disaster would have been so much worse if it were not for the amazing people that came together to rescue one another and to help one another recover. And, unfortunately, when FEMA came in, we saw an abrupt halting of that progress and restoration following this flood. And, unfortunately, that's continuing today.

Let me go back and clarify a few things. Governor, you and I, I think, are on different pages in regard to the timing on some of this stuff, and I want to make sure we get that sorted out. I looked

on your website, and I see where on—let's see. It looks like your first post in regard to the flood is on August 12, and it looks like GOHSEP's first post on the flood is on August 19. No. Excuse me. August 16, which was, again, in both cases, after the flood.

Number two, there were about 20 watches, warnings, and other things posted by the National Weather Service prior to the flood in regard to—in regard to the warnings that the flood was coming. I actually got so frustrated, that I spent over an hour sitting in my office going through all the river reports and everything that were out there, and while there was a lapse between when I sent the email and it actually got posted up on our Facebook, I was warning people that this was going to far exceed the 1983 flood and that folks needed to evacuate or be prepared for those flooding conditions. And this was before the flood, obviously. And so there was ample information out there.

But a few things. Now, the contractor that you're hiring right now, that contractor is going to be responsible for financial controls and procurement and disbursing money and things along that line. Is that accurate?

Governor EDWARDS. On the—

Mr. GRAVES. The contract. You're going through a solicitation process right now.

Governor EDWARDS. The CDBG.

Mr. GRAVES. Yes, sir. I'm sorry.

Governor EDWARDS. Yeah. I'm sorry. And by the way, I don't believe I ever said there were no forecasts of heavy rains. There was nothing on the order of magnitude of 30 inches that were forecast. In fact, the best we could tell, it was—10 inches was the most that they had forecast came in ahead of time.

Mr. GRAVES. I don't remember the exact inches that they predicted, but they clearly predicted it was going to be beyond the 1983 flood, and so I just—but we can move on from there.

So answer me, on the CDBG contract, am I correct in that financial controls, procurement, disbursing of funds and things along those lines?

Governor EDWARDS. We were—the contractor—the process we're under right now is to select a program manager. Yes, sir.

Mr. GRAVES. And under the solicitation that I saw, it appears they're responsible for financial controls.

Governor EDWARDS. Yes.

Mr. GRAVES. Okay. Because I just wanted to make note that, in the Federal Register notice that was published on November 21, it actually says that the grantee has to submit certification documentation providing the basis that the grantee has sufficient financial controls and procurement process, and established adequate procedures to prevent duplication of benefits and things along those lines. So the fact that a contractor is not in place now does potentially impede some of that progress.

Number two, when we met on August 19, I suggested to you then that you go ahead and hire a program management contractor and you begin collecting data from flood victims and others, so we're ready with this implementation plan. I further suggested that you review the Federal Register notice from both the South Carolina flood and the West Virginia flood. I might have mentioned a third

one, but I know I mentioned those two floods, because I expected that there would be little to no difference between the Federal Register notice that was published on November 21 and the previous notices that were published several months before our flood. And in reality, in looking at the notices, that's the case. They're virtually no differences; just very minor differences that wouldn't have had any impact on an action plan.

And as a matter of fact, you stated earlier that it was 17 days after that plan, but as I recall, I think you actually submitted your action plan on January 3 for the November 21 notice. And also I want to make note that the funds were actually appropriated, I think it was around September 30. It was the end of September.

And so if you had simply hired a contractor back in August, if you had—if you had collected the information, if you had reviewed the previous Federal Register notices, you could have submitted a plan even before this November 21 deadline because every place in here—you can see the several highlights in here—every place in here, it actually says that the certification documentation submitted within 60 days of this effective date of notice or when the grantee submission of its action plan, whichever is earlier, and so clearly that could have happened before.

And then the other thing, you keep saying that the—that the State is in no way delaying the execution of these funds or disbursement of these funds to flood victims. There's not a contractor in place. There's not a mechanism to disburse funds.

Governor, look, you and I represent the same people. And I was very concerned on Friday when you suggested that I was doing this for politics. We represent the same people, Governor. And I'm going around meeting with these people, who are literally living in tents, living in uninsulated homes, don't have their businesses opened up. Livingston Parrish has an article in the paper talking about the number of people that aren't reapplying for business licenses. I don't have any desire other than to get people back in their homes, and I'm simply venting that frustration from them.

Do you care to respond?

Governor EDWARDS. I'm happy—I'm certainly happy to respond. First of all, the submission of the State action plan for the first \$438 million appropriation was historically fast. And we can look and say, "You could have possibly done this." The fact of the matter is it was historically fast.

The second submission was even faster and, in fact, fast enough that the grant agreement included both of those appropriations, but that money is still not yet available. The money became obligated yesterday, Congressman—

Mr. GRAVES. Governor, you had Mr. Cartwright earlier cite the February 14 letter. This approved the first \$438 million. If a contractor was in place, the funds could have been distributed based on the \$438 million. The State made—

Governor EDWARDS. That is not true, Congressman. That is not true. You cannot distribute money before you have it. We don't have it because the grant agreement—

Mr. GRAVES. Because you submitted an amendment and told them to combine the December and September appropriations, which delayed it, Governor.

Governor EDWARDS. Which is also not true. We didn't tell anybody to combine it. We were asked by HUD to combine the two. Once we got the second action plan submitted so quickly as an amendment to the first one, they believed it made sense to combine the two. We said we're okay doing that but not if the first appropriation is delayed, but by speeding up the availability of the second appropriation, which is exactly what happened. That first appropriation, under the original timeline, wasn't going to be available until sometime in May. We executed the grant agreement on it this past Friday. It also includes the second appropriation. So now we have the \$1.6 billion available all at one time, which is going to be very helpful to address one of your earlier concerns that I share about low to moderate income and the percentage of homeowners that we're going to be able to help beyond that category.

But it's historically fast. The money is not yet available. There is nothing we could have done before today that would have made the money available to put into homeowners' homes in terms of repairs before the line of credit is established.

Mr. GRAVES. Governor, it says, "whichever is earlier." It says it all over the notice, "whichever is earlier." You didn't have to wait for this. You could have based it upon the previous Federal Register notices, which I suggested to you back in August. And to say that the funds were not delayed as a result of the decision to combine, that's just not true. It's not. The notice is here. You would have had a line of credit for \$438 million that you could have begun distributing. There's not a contract in place, and there's still not one in place. And when the line of credit's ultimately available, you're not going to have a contractor in place or a disbursement mechanism in place to get the money out the door.

Governor EDWARDS. Well, first of all, I don't know that we know that yet because it isn't established. And it could happen at any time, as I understand, over the next week or 2 weeks, potentially 3 weeks, but—

Mr. GRAVES. But you don't have a contractor.

Governor EDWARDS. But there is nothing that we could have done that would have made that money available any faster.

Chairman CHAFFETZ. Congressman Cummings.

Mr. CUMMINGS. Yes. Thanks.

Governor, I just want to—sorry we're going back and forth here. I have just one question. As I'm listening to you, it sounds like what you're saying is that you did everything you could to get the money as fast as you could, and the combination allowed you to do that. Is that right?

Governor EDWARDS. Well, it does. And the other thing that I would like to point out again, the other State grantees that were appropriated money in September have not submitted their first action plan. We've actually submitted two. And the second appropriation was then consolidated with the first one in terms of that grant agreement so that we executed the grant agreement last Friday. HUD executed it yesterday, and so, for the first time, the money is actually obligated.

But if you look at the normal timeline associated with this, Congressman Cummings, that first appropriation would not have been available in a line of credit until sometime in May.

Mr. CUMMINGS. Okay.

Governor EDWARDS. We're going to beat that deadline, and at the same time, we will have the full \$1.6 billion, not just the first \$438 million.

Mr. CUMMINGS. Thank you.

Chairman CHAFFETZ. I'll now recognize myself.

Governor, to say that this is historically fast, I mean, come on. It's April. This thing happened in August of last year. If you have documentation from HUD suggesting that you do something—to combine or that something that would slow this down or—please provide that to this committee.

I think it's a combination of failure at the State level, but I think there's also a lot of failure at the Federal Government level, and I want to try to—and I know Mr. Cummings and others feel this way too. This is—as Congressman Graves was talking about, this is not the first time these things have happened.

Mr. Fenton, Congress appropriates how much money to you on an annual basis? Just an annual appropriation.

Mr. FENTON. Including DRF and—so just for the Disaster Relief Fund, I think it's \$7 billion, \$8 billion a year, just the Disaster Relief Fund, and then plus we have money for flood insurance, which is mostly through the policies, and then another couple billion on top of that. So—

Chairman CHAFFETZ. So you're about \$15 billion?

Mr. FENTON. Yeah, about \$15 billion when you add it all up, all the different—

Chairman CHAFFETZ. And I got the tell you: \$15 billion a year to do what? Be ready if there's a disaster. Were you ready for this one?

Mr. FENTON. Well, we always can do better. And I think you've pointed out a number of areas where we can do better. I think what happens in the bigger events, in the large—these large events, whether it be this event in Louisiana or Katrina, that it maximizes our capability and the throughput that we have. So, when our throughput for mobile homes is about—I think, on average, the best I saw was about 41 a day—it doesn't meet the huge numbers when you have 4,500 people, ultimately, that needed mobile homes.

Chairman CHAFFETZ. Okay. So let's put that chart back up on the mobile housing units. This event, we have this chart. I mean, those numbers don't ramp up until the end of the year. And they don't even get close to what we need until February.

Mr. FENTON. So our focus immediately is to put people in rental properties, if available, into hotels, and then start to determine—and we're also working the TSA program with the shelter—the STEP program with the Governor. And so we're getting people into safe, habitable locations outside the shelters, and then we start working through those individuals to determine their requirements, and at the same time start—

Chairman CHAFFETZ. If you think—if you think you can do, you said, I think, 41 a day?

Mr. FENTON. Forty-one a day with the infrastructure all being intact: power, water, sewer—

Chairman CHAFFETZ. In perfect conditions. I mean—

Mr. FENTON. So 41 a day is what we got up to. Right? It takes some time—

Chairman CHAFFETZ. It took you, like, 6 months to get to that point.

Mr. FENTON. It takes some time to get the infrastructure and resources there in order to meet that level.

Chairman CHAFFETZ. You can take down the graphic.

If we paid you nothing, and we just said, “Hey, Louisiana, here’s a bunch of money; go help fight this disaster,” Mr. Harrell, what do you think would have happened?

Mr. HARRELL. Quite honestly, I probably would have failed miserably, but at least it would have been me failing instead of pointing fingers at someone else. I would have liked to have the opportunity to do that, any day of the week, because I feel like I failed the people of Livingston Parish on this disaster, and that’s strictly due to the inability of FEMA to work as a team. And I’m going to go back and throw something else in. If you’ll look at your National Response Framework, if you look at your NIMS management system, it all says that we work as a team at the lowest possible level. It’s not a team approach when it comes to FEMA. So, yes, give me a block grant; let me handle my people.

Chairman CHAFFETZ. You know, that’s what’s sad about this, is there are a lot of good men and women serving in all of the organizations. You go talk to the person who is down there on the ground in Louisiana, trying to do things, working for FEMA; I think their hearts are in the right place.

But I don’t think any of you could look at this and assess it as a B-plus, or highly successful, anything other than a total and utter failure from top to bottom.

We’re not serving the people that—they pay the taxes. They do what they’re supposed to do, and they’re on the receiving end of something that is so devastating, it is—you can’t even fathom. I don’t understand and nor should we ever tolerate such a lack of response.

I want to read—this is, again, it’s an internal FEMA document. This document—and the print is like 2 font here. But this is January 2017. This is regarding CB&I. It says: “For the month of December 2016, the report indicates that the contractor received 1,980 maintenance calls. The contractor only completed 198 of those. Thus, 90 percent were not complete.”

And, Mr. Boone, you come here and tell us you were highly successful. I just don’t understand the disconnect. It’s not even close.

Let me read another. This is the long term. That was just for the short term. Long term: “Repeat caller complaints that go without maintenance attention are numerous.” Then it says there are 1,655 out of 4,793 issues not completed, which is only a completion rate of 35 percent. It’s not as if we haven’t ponied up the money. You’re getting big contracts, but I don’t understand, Mr. Boone, how you’re not aware of this.

And, Mr. Fenton, if you’re not aware of this, who is?

Mr. FENTON. Upon coming into this job January 20, I went down there, and I asked those questions. At that time when I was down there in February—

Chairman CHAFFETZ. When did you—how long have you been with FEMA?

Mr. FENTON. I have been with FEMA 20 year, sir.

Chairman CHAFFETZ. What was your job before this?

Mr. FENTON. I was the Regional Administrator for the West Coast and still am.

Chairman CHAFFETZ. And still you don't have—because you are acting?

Mr. FENTON. I'm the Acting Administrator right now, but—

Chairman CHAFFETZ. Sorry. Keep going. Keep going.

Mr. FENTON. So I'm the—I've been with FEMA 20 years: 13 years in Region IX; 6 years in D.C.; went back there for the last 2 years as now the Regional Administrator. I got sent here to be the Acting Administrator starting January 20. I've been here since January 20 as Acting Administrator, sir.

Chairman CHAFFETZ. I tell you: You've got your hands full because we've seen this movie before, and we've seen it in Louisiana, and we've failed again. The Federal Government fell on its face, and the State didn't do much to help either. As I'm telling you, to not be prepared in April for a contract to start putting stuff out the door, I just can't even imagine what these people are dealing with in terms—let's go to Congressman Johnson. He's also joining us from Louisiana.

Congressman, you are now recognized for 5 minutes.

Mr. JOHNSON. Thank you, Mr. Chairman.

It really was an epic failure, Federal and State government.

I take issue with what you said, Mr. Harrell. I don't think it was your failure. I think it was at higher levels.

And, you know, the sad thing about it is, in Louisiana, we do recovery really well because we have so much experience with it. I mean, sadly, as you know, just in your administration, Governor, there's been a series of tragedies and disasters, but the reason we do recovery well in Louisiana is not because of the Federal or State government; it's because of our people, because they are very resourceful. They're survivors. Communities work together. Neighbors ban together. Citizens go into action. They know what to do. They take care of one another, often in spite of the government, not because of it.

Governor, in January, you described the Shelter at Home Program as being very successful. And there's been a lot of discussion about this today, and you gentlemen have taken some heat.

Is it—do you still stand by that statement? Do you still say that our Shelter at Home is a model that's very successful?

Governor EDWARDS. I believe that it served its purpose by and large, and it's successful in the sense that in—I think it was a little over 3 months, the Shelter at Home Program was stood up, and, actually, 10,000 homes in just a little over 3 months actually received those repairs to make their homes safe, habitable, and secure so people can go back home. That was the only option we had then. It's—and, by the way, if a similar disaster hits us today, it's the only option we have today because you don't have the TSA available in terms of motels and hotels. The rental assistance isn't available because you don't have the units there, the capacity. And MHUs are too slow coming and actually cost too much. But if you

look at the fact that 3,000 families were in hotels, we paid \$46 million for that, and we did—actually, got 11,000 homes done under Shelter at Home. And the most important thing was those individuals were able to stay in their communities where they live and work so that businesses had employees and customers; schools had students and teachers; churches had parishioners on Sunday.

And so, given the concerns that we have, I would say that it was largely successful. Certainly not perfect. We would much rather have engaged in much better repairs in terms of not being limited to temporary repairs, for example.

Mr. JOHNSON. Well, and part of the purpose of this exercise is so that we can all learn by the mistakes and make improvements so, Heaven forbid, something of this scale happens again, we can do it better.

So, you know, I'm not—I don't know that everybody agrees with the assessment, Governor, and I'm basing this in part on this past December, you know, the State surveyed over 2,000 people that were involved, about a fifth of the homeowners that were using the Shelter at Home Program. And The Advocate had a report that said 46 percent of them, almost half, said they would not return home at that point, and they were citing shoddy repairs and questionable living conditions.

So, I mean, I know that there's been some improvements since that time, but, still, I think we've got a real perception problem, and I'm not sure how to overcome that.

There's also numerous reports of infamous overbilling for services and products and even charges for work that was never done. I know all of you are aware of that.

My question is—and my real concern always—is about good stewardship of taxpayer dollars and wise use of that and eliminating fraud, waste, and abuse. So, apparently, there's a lot of fraud involved in this.

What happens if the State receives a complaint about fraud of that magnitude, you know, for example, billing for charges that were never provided, services?

Governor EDWARDS. Well, at that point in time, if the State receives that information, we would call in AECOM, find out the specific contractor that engaged in the repairs on that particular home, a look at the scope of work that was authorized, the scope of work that was done, and the inspection, the final inspection, to see if it matched up and if the work was truly performed.

Mr. JOHNSON. How many outstanding cases of fraud against the Shelter at Home Program are being investigated now? Do you know?

Governor EDWARDS. As far as we know, there are no outstanding allegations of fraud against the—the client—the program. And I think the total number of complaints was in the neighborhood of 300 out of 11,000. And those complaints weren't about fraud, necessarily. Those were individuals who wanted a scope of work that was greater than what was performed. Some of it had to do with the workmanship, and a lot of times those were conflated because people don't like the temporary nature of the repairs that were made in many cases.

Mr. JOHNSON. I'm out of time, but just one last question for FEMA.

Mr. Fenton, does FEMA provide direct oversight of the Shelter at Home Program or the State equivalence thereof? I mean, how does that—what does that look like in terms of oversight?

Mr. FENTON. It's a grant through the State. We've worked with them on the implementation plan and the checks and balances within that. They talked to New York, got their lessons learned from New York. We've looked at some past IG audits on some of their recommendations, and the program is running again as a pilot for the second time in Louisiana.

We provide a grant through our public assistance program. So, eventually, there will be a project worksheet for this through cost sharing, and we provided oversight of those dollars going down to the State and ensure that they're doing the work.

Mr. JOHNSON. This is the last question, and I'm just going to ask you, for the record today—I'm sure this goes without saying—but we have your absolute commitment that you're going to improve these programs and make this better for the next round, right?

Mr. FENTON. Well, definitely, 110 percent, sir. I've already started, since coming on in January 20, the housing. Some of that I talked about in my opening statement. I've reached out to MIT and Lincoln Labs to get them, the academic community, to take a look at what we're doing and give us, maybe, an outside look at what we could do better. And we're going to do a—we're going to invite industry in for Industry Day because there's a much—there's multiple different capabilities we could bring to the table. If we could find something that's more agile, faster, but as safe, we will look to do that.

Right now, the MHU, just because of the size, trying to put it on individual lots represents a lot of challenges with degraded infrastructure. And so it slows us down in being able to meet the numbers that happen in this event.

So we need to go back to something that is more agile but still safe. When we were in Katrina, we were using travel trailers. And while they were more agile and faster, the safety was a concern. So we need to find something in the middle that meets the requirement during these big events, and we're looking to make those improvements.

Mr. JOHNSON. Let's do it quickly. Thank you.

Mr. FENTON. Yes, sir.

Mr. GROTHMAN. [Presiding.] Thank you.

We'll go to the ranking minority member, Congressman Cummings.

Mr. CUMMINGS. Thank you.

Mr. Fenton, after Mr. Wilson's death, FEMA raised serious concerns that CB&I was understaffed and disorganized. Senior FEMA staff warned that CB&I failed to complete 90 percent of its maintenance calls in the month of December. The contractor failed to show up for 40 percent of the scheduled monthly maintenance visits. FEMA characterized CB&I's performance during this period as, quote, "error prone and incomplete," end of quote.

Sir, can you please describe the concerns that FEMA had with CB&I?

Mr. FENTON. Sir, since coming on January 20t and in my meeting in February down at the joint field office, I asked a number of questions because of concerns I've heard with regard to the contract. There was a number of discussions that go on in operations between individuals with regard to concerns, emails that you guys have. Ultimately, it warranted a letter of concern that we wrote to CB&I from our contractor to put in writing those issues.

Since that letter of concern, I'm told, when I went down to visit, that they have stepped up and that times have significantly decreased. And last night, when I had discussion with our contractor again and asked the questions, they were pretty—they were—said that the relationship and the level of work have increased the level, and everything is satisfactory at this point.

Mr. CUMMINGS. So, Mr. Boone, how do you respond to the problems, the failures of your company? There were some failures. Wouldn't you agree?

Admiral BOONE. Those—

Mr. CUMMINGS. The whole—okay. Go ahead.

Admiral BOONE. Those issues that have been raised are new to me. So, obviously, I need to sort through that and understand the context of those issues.

If there are failures, we'll fix them. I think, as Mr. Fenton has articulated, there was a letter of concern never officially given to us. So it was slid across the table from the contracting officer and shared in a brief moment with our project manager. We aggressively addressed those concerns and have performed, to our knowledge, in a very highly successful way.

Mr. CUMMINGS. All right. Well, let me just cite this very quickly, and then we'll be ending the hearing very shortly.

On January 17, 2017, one of the residents in a manufactured housing unit wrote to FEMA about a serious plumbing issue that she had been trying to get resolved for a month. When she called CB&I's maintenance line, she found that, and I quote, "it basically is a help line—a help desk ticket center with no calls back," end of quote.

She was so frustrated with CB&I's lack of response that her husband rented a drain camera to prove that the sewer pipe had burst and sent the pictures of the damaged pipe to CB&I. After several more days of waiting, CB&I finally dispatched a contractor to the unit.

She explained that the subcontractor, and I quote, "assessed it, looked at our video, wrote up the paperwork," end quote, but then the technician left without fixing the problem.

Mr. Boone, why didn't your company fix the problem? Is that unusual?

Admiral BOONE. No. We address those problems. So, again, this is news to me, and I'll dig into it. But we have a reputation of doing prompt and responsive work. So, obviously, if this allegation is true, we have to get to the bottom of it.

Mr. CUMMINGS. All right.

Thank you very much.

Chairman CHAFFETZ. [Presiding.] I recognize the gentleman from Wisconsin, Mr. Grothman.

Mr. GROTHMAN. Yeah, Mr. Fenton, I'm going to kind of go over some territory that was covered before. I had another hearing at the time.

Each manufactured housing unit that you purchased cost around \$140 grand to install and maintain, correct?

Mr. FENTON. The full wraparound cost to put a manufactured housing unit on an individual's property is \$129 is what I'm told, \$149 if we have to put it on a different lot. That includes the purchase of the unit, the hauling to the location, the installation cost, and then eventually the deactivation.

Mr. GROTHMAN. And some people would buy these on their own?

Mr. FENTON. Some people may buy them on their own. We, in FEMA, buy them direct from six manufacturers.

Mr. GROTHMAN. Okay. So you got a good deal, well, as you could buy them in bulk?

Mr. FENTON. We're buying units that are from HUD regulated plants. We're buying units that have extra retrofitting as far as the frame. We put a fire suppression system in them and do a lot of things above and beyond the normal models.

Mr. GROTHMAN. Right. Right. Right. But, presumably, because you're buying lots rather than if I just walked up and say I wanted one, you're getting a better deal than somebody would wind up if they just bought one of these, correct?

Mr. FENTON. I would think so. I think time plays into that. You know, we're buying a lot of units in a very short duration, and—and—so we're—but there's time and then there's the number that we're buying.

Mr. GROTHMAN. Okay. My notes here say that you turn around, and after spending \$140, \$145 grand for these, you turn around and sell for them \$11 grand. Is that accurate?

Mr. FENTON. We are required to, if they—if it's not cost effective to bring them back to our location, they can't be retrofitted, then we go through the GSA excess property. By statute, we're required to put it through there, and they sell those units. And \$11,000 is what I'm told that some of those units fetch.

Mr. GROTHMAN. Does that hit you as unusual?

Mr. FENTON. As far as?

Mr. GROTHMAN. Odd? I mean, I would think that if you buy something for \$140 grand or \$130 grand and, you know, 2 years later you sell it for \$11 grand, I would think that somebody really screwed up. Do you have—

Mr. FENTON. Well, the unit itself is \$60,000 and, then it's been used now for some period of time. So you have to make repairs to the unit, which is some sort of—which is some cost, and then you've got to go ahead and move the unit back and store it. So we take into account the cost to restore it back to predisaster condition, the cost to move it, the cost to go ahead and mothball it and sustain it versus the cost to sell it onsite. And if it's more cost effective to sell it onsite, we're going to choose that option versus exceeding that cost by doing all the—three things that I said and doing more cost to go ahead and move it back to a location, especially if it's not usable again.

Mr. GROTHMAN. Okay.

Mr. FENTON. And many of these are not usable after 18 months and after the travel that they've done already.

Mr. GROTHMAN. You paid \$140,000 a year for something that's not usable after 16 months?

Mr. FENTON. \$60,000 for the unit. The rest of the cost is moving it. The rest of the cost is installation of that, the water, sewer, gas hookups, and deactivation.

Mr. GROTHMAN. Even \$60,000. You mean, a year and a half after you buy something for \$60,000, it has been so ripped apart that it's worth \$10,000? And recently, staff here found one listed on your auction site—or GSA's auction site—for \$2,500 bucks. Doesn't that—can you explain why the dramatic decline in value for something that I would think should be good for 30 or 40 years?

Mr. FENTON. All I know is that usually the long distances they travel impact the frame of the unit. The use of it underneath the conditions that we put them in impact that. And so, therefore, we put them out on the fair market to get as much as GSA can get for those units.

Mr. GROTHMAN. How many—usually one family lives in these things?

Mr. FENTON. Yes, one family usually.

Mr. GROTHMAN. Well, I'll tell you this: If I was in this situation like this and I needed housing for 2 years or something, I would think if you'd—you rent an apartment almost, I would think—you know, maybe not in Washington, D.C., obviously, but other places, you can get a fairly good apartment for under \$10,000 a year. Wouldn't it be more cost effective if somebody is in a situation, say, for year and a half, we are just giving you a check for \$12,000, and you find housing?

Mr. FENTON. We do provide rental assistance to them at the fair market rental rate.

Mr. GROTHMAN. I mean across the board. Rather than say, I'm going to spend \$150 grand for something I'm going to sell in a year and a half for \$10 grand—about, maybe \$140 and \$12, or whatever—why don't we just across the board just say, "Here, family, here's a check for \$15,000; you find an apartment"?

Mr. FENTON. I think we should look at many options to do that. The case, though, is that if you want the individual to stay within that community, and you want to re-establish that community, if there's no resources available in that community because we are providing rental assistance, we are providing hotel assistance, and the reason why we're going to manufactured homes is because there are—those other two options are either not available or the individual wants to be back to their home to make repairs.

So giving some of the grant is an option. We're glad to look at that and discuss that as an option, but I'm not sure it takes care of the issue.

Mr. GROTHMAN. Well, my time is up. I'm just saying, you know, wherever I am today, I find people that are driving the half hour or 50 minutes to work. But thanks.

Chairman CHAFFETZ. I recognize Mr. Graves for 5 minutes.

Mr. GRAVES. Thank you, Mr. Chairman.
I just want to follow up on a few things.

One, Mr. Fenton, I—look, you inherited this mess. I know that you’ve been out West and that you came in and, certainly, there’s been a lot of frustration aimed at you. But I know that you weren’t responsible for these decisions, and I just wanted to make that clear. I know that you came in an acting role after this, and a lot of the frustrations we had during the peak of the flood were not your responsibility. Unfortunately, the committee did invite Mr. Fugate to come testify at the last hearing, and he did not come, and I just wanted to distinguish that fact.

But one thing I want to reiterate, you cannot allow for this type—these types of failures to continue in future disasters, in this one and in future disasters. We are revictimizing disaster victims; it’s not okay.

Number two, we’re fleecing taxpayers. The cost of these trailers, whenever local trailers dealers—Mr. Fenton, one thing I wanted to point out, Jason Ard, the Livingston Parish sheriff, came to us and said, for \$35,000, if I remember correctly, per trailer, they can set up a trailer park for his deputies, because they needed stability; he needed law enforcement. I called the Secretary. I called the Deputy Secretary. I tried Mr. Fugate several times; never heard back from him. Had conference calls with a deputy and with the Secretary about this, and repeatedly, they rejected it. In turn, they instead paid \$150 grand per trailer. Right now Sheriff Yarborough I think is selling back some of those trailers. Again, my number is ballpark, about \$25,000 or a net payment from FEMA or for the sheriff’s office for \$10,000. Y’all are refusing to reimburse him. So you’re opting to spend \$150,000 instead of \$10,000. How do you go stand up in front of taxpayers with a \$20 trillion debt and defend those decisions?

Governor, I want to clarify or just make a statement on Shelter at Home. I commend you for Shelter at Home. I tweeted that day and said that that is an innovative approach, and I like it because it helps get people back into their homes, their communities, helps restore the tax base. And I know, Mr. Harrell, President Layton Ricks, and I know we have we also have the chairman of our Homeland Security Committee in the senate, Bodi White, and the chairman of the Education Committee, Senator Blade Morrish, and Representative Miguez here. I know all these people care about people getting back and restoring the community and the tax base and everything back in their homes. I commend you.

But I also said the execution, it was going to be based on execution. I think execution was a failure. You and I have talked about the word “temporary” in the Stafford Act. We’ve got to work with FEMA to change that. Because I think—once I saw the parameters, it was absurd, and it just didn’t make sense. So—to move forward.

And what happened is we preempted, we prevented these flood victims by having other housing options by doing Shelter at Home in many cases. And that’s unfortunate. People told me over and over again, they couldn’t get responses from contractors; the work was substandard; and had they known what it would have been like, they never would have opted for that.

Lastly, I’ve got a number of documents. I’m not going to go back and forth with you here on arguing what the timelines are and everything else. So what I’m going to do, is, Mr. Chairman, I’ve got

documents from HUD. I've got documents from the Governor. I've got the Federal Register notice. I'm going submit these for the record. The documents speak for themselves, very clear in this case. And I ask unanimous consent that those be included in the record.

Chairman CHAFFETZ. Without objection, so ordered.

Mr. GRAVES. And at the end of the day—and it doesn't matter, you know, again, Mr. Harrell, Mr. Boone, Mr. Fenton, Governor—this whole thing is about people. It's about people. And the decisions that you have to make at the end of the day, you need to be thinking about those where you can stand up in front of people and defend the decisions that are being made. And what ends up happening is that the line of decisions are absolutely decisions that can't be defended.

I think about it all the time: I've got to defend this at a townhall meeting, standing up at a townhall meeting and defending it to constituents. And a lot of these decisions simply can't be defended, whether it's the amount of time it's taken from a September appropriation that's not going to get out the door until probably May, or it's trailers that have taken 6 months to get to people after this flood, or it's the fleecing of taxpayers. It's absolutely unacceptable, and you can't defend these actions.

And so people can say that this manual, this regulation, whatever, those things—in the wake of a disaster, in the peak of a disaster, you've got to do what's right. And over and over again, I remember being in disasters, being in Unified Command in the State of Louisiana, in some cases, you've got to say, "I'm going to do what's right versus what this manual says," because no two disasters are the same; manuals in some cases and regulations can't anticipate the unique conditions. And FEMA gets so wrapped around the actual—watching the inefficiencies there was infuriating, and, unfortunately, in many cases, they are continuing on, and these people are being revictimized.

And so, for the tens and thousands people that are still displaced—tens of thousands that are still displaced today—we need to do a better job getting them back into their communities, and we need to make sure that none of this ever happens again.

I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I now recognize Mr. Cummings.

Mr. CUMMINGS. I just want to submit a letter for the record. Mr. Cartwright referred to this letter, dated February 14, 2017, from the U.S. Department of Housing and Urban Development, the one complimenting the Governor. I wanted to—

Chairman CHAFFETZ. Without objection, so ordered.

Mr. CUMMINGS. That's all.

Chairman CHAFFETZ. The gentleman yields back.

As we close here, I want to thank you all for being here and participating.

I think what Mr. Graves pointed out is a very good summary of the problem and the situation that we have. I really do commend the Livingston Parish sheriff, who took care of his deputies, you know.

And you've got to take a good hard look, Mr. Fenton, because here's the sheriff, whose got to take care of his deputies, because he knows if he takes care of his deputies, his deputies can help take care of other people. Somehow, some way, he went out and bought things at \$35,000 apiece. And you, FEMA, are buying them at 150,000 and taking 6 months to do it. Something dramatically wrong there.

Mr. FENTON. Yes, sir.

Chairman CHAFFETZ. Mr. Harrell, I want to give you the last word here. You live there. You deal with this. You put your heart and soul into this, I know. What are the closing comments, things you want all of us to hear? And then we'll close this hearing.

Mr. HARRELL. Two words: FEMA reform. It's that simple. But don't do it in Washington. Don't do it at the regional level. Get it down to the State. Get it down to the local level. Let us have input. We don't have it. We try to follow the guidance that FEMA puts out on every document they have. We do it; FEMA does not do it. That's all I'm asking: FEMA reform. It's that simple.

I'd like to play a part in it. I think a lot of our emergency managers across the country would like to play a part in it. That's my goal.

Chairman CHAFFETZ. We hear you. Thank you. I appreciate you doing that.

And for the men and women who suffered through that and responded and helped their neighbors, God bless you.

Again, thank you for this hearing. It's been very productive. The committee stands adjourned.

[Whereupon, at 12:00 p.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD



Letter of Concern

18 January, 2017

Mr. Kevin Neal
 CB&I Federal Services, LLC
 1725 Duke Street, Suite 400
 Alexandria, VA 22314

SUBJECT: Contract HSFEHQ-09-D-0698; Task Order HSFE06-17-J-0233, Hauling & Installing / Maintenance

Dear Mr. Neal,

You are hereby notified of the U. S. Government's concerns about your current trend of performance by this Letter of Concern (LOC). Two (2) items contained in the haul & install contract with regard to the area of Maintenance are of concern, leading to the Government's LOC, which if left un-corrected, may lead to a Cure Notice: (1) Completing & Reporting of backlog Maintenance work orders, and (2) Non-Response to repeat calls from FEMA applicants. Several communications in person, by email, and/or phone have occurred between the Government and the contractor, listed herein, beginning 29 December, 2016, including weekly Maintenance meetings which were attempts to avoid further action(s) of the like, without a clear indication of improvement as yet. Utilization of the QC model as detailed in the contractor's QC Plan, Base-Section C, 9.7.2, may resolve a great majority of these concerns.

(1) Completing & Reporting of backlog Maintenance work orders:

- From the 1/16/17 Daily call center Report: 1,809 of 5,489 (33%) calls have no response information
- From the 1/17/17 Daily PMI Report: 1,335 PMI records out of 2,164 RFOs are showing

(2) Non-Response to/Unsolved repeat calls from FEMA applicants:

- Repeat calls from 134 applicants without showing resolution (1/17/17 Daily Maintenance Report)

To ensure that work does not continue to lapse in safety or timeliness, and place the contract at a higher risk of a Cure Notice from the US Government:

The contractor is required to provide to the Government (1) his remedies for each of the above listed concerns of the Government for completing & reporting of all backlog Maintenance work orders, and (2) his path forward in resolving non-response to repeat calls from FEMA applicants, by no later than close of business on Friday, 20 January, 2017.

Sincerely,

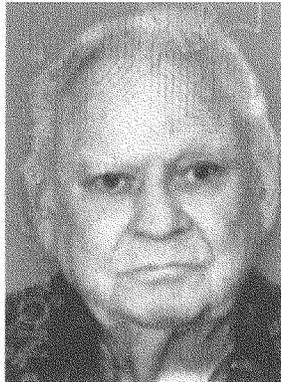
A handwritten signature in black ink, appearing to read "Sharon Edwards". The signature is written in a cursive style with a large initial "S" and a decorative flourish at the end.

Sharon Edwards
Contracting Officer
FEMA, DR-4277-LA

http://www.theadvocate.com/baton_rouge/news/article_d0587a00-f9ed-11e6-9da5-7b072c06270c.html

Blind Baton Rouge man 'baked to death in a FEMA trailer,' caregiver says, as Congress probes agency

BY STEVE HARDY | SHARDY@THEADVOCATE.COM FEB 23, 2017 - 11:30 AM



< >

Everett Wilson

Buy Now

Steve Hardy

Congress has ordered a review of FEMA's manufactured housing unit program after a Baton Rouge man was found dead inside a unit with an allegedly faulty heating and air unit.

"He was baked to death in a FEMA trailer," said Cathy Landry, friend and caregiver to the blind, 84-year-old Everett Wilson.

On Thursday, Congressman Jason Chaffetz, R-Utah, ordered FEMA to turn over records relating to flood recovery. He cited numerous problems with FEMA's manufactured housing program: trailers that cost more than new houses, units languishing unused on a staging lot, and Wilson's death.

Story Continued Below

Landry found Wilson unresponsive in bed on Oct. 25 in his trailer at 4250 Blount Road, where he was living after his home off O'Neal Lane flooded. Landry said she called authorities five times over 25 days to fix the heating and air in his trailer, noting the heat got so bad the day he died that unit candles inside had melted.

When they entered the home, authorities found the thermostat reporting the temperature at only 50 degrees Fahrenheit, even as the ambient temperature climbed into the triple digits. 'Attempts to turn off the unit would not stop hot air from blowing out of the vents,' Chaffetz's letter states.



FEMA's response defies common sense, needs to be 'Cajunized,' Congressman Garret Graves says

Even after an hour and a half in a cooling unit at the morgue, Wilson's body temperature registered at 110 degrees Fahrenheit, said parish coroner Dr. Beau Clark. Brain damage can begin once body temperatures reach around 107 to 109 degrees, he said.

Clark ruled the death accidental hyperthermia — overheating. The temperature inside the mobile home registered 124.4 degrees, and air coming out of vents measured as high as 137.9 degrees, the coroner said.

Wilson lost his sight about 17 years ago when a tumor damaged his optic nerve, Landry said. She noted that the blinds over one of his windows were askew when she found him; she believes Wilson tried to escape out the window before succumbing to the heat.

Clark noted that Wilson had some health issues related to his advanced age, but none are believed to have contributed to his death.

Landry said she met Wilson decades ago, and he had been friends with her father. Over the years, he became part of her family, since his relationships with his own family were strained.

She said he was a U.S. Air Force veteran who had worked on machinery and put a high value on education. When Landry's daughter was in first grade, Wilson made her promise to get good grades. When she graduated high school near the top of her class years later, her "paw paw," as she knew Wilson, bought her a car.



'It's idiotic': FEMA mobile homes' 6-figure price tags are outrageous, officials say

"I just want FEMA to stand up and admit they killed that sweet man," Landry said.

Thursday, residents at Leo's Park, the site on Blount where Wilson died, said they had moved into the park since the incident and did not know it occurred.

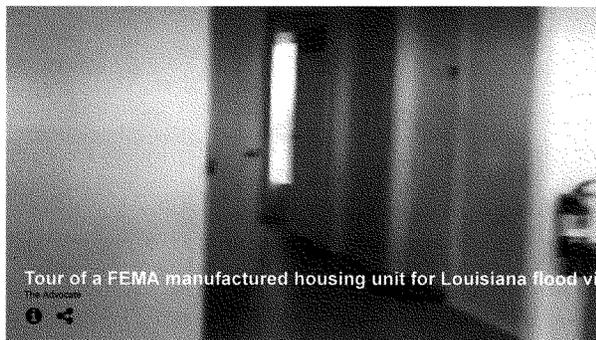
Wilson's unit is still there, the locks and knobs taped shut. A sign on the door reads "Do not enter or move this unit without notifying FEMA security."

Everett's death has raised questions about the safety of all trailers. Local Republican Congressman Garret Graves said his office received a call from an anonymous tipster who said he was involved in manufactured housing deployment and alleged the agency destroyed 60 to 80 faulty units following Everett's death. Graves said his office has yet to determine whether that's true, but if it is "that would have been an extraordinary waste."

In a prepared response, a FEMA spokesman wrote that they were notified of a death in a Louisiana manufactured housing unit in October but "have not identified any systemic issues within the manufactured housing units. Out of an abundance of caution, at that time, FEMA decided to replace the thermostats of the occupied MHUs manufactured before 2016 as a part of our regularly scheduled maintenance checks that occur about once a month."

The agency did not respond specifically to Wilson's death.

The circumstances leading to the overheating death demonstrate "a major screw-up," Graves said. Moreover, a review of FEMA's response to the August flood has found "so many flaws that really impeded the recovery" and "fleeced" taxpayers, he continued.



Congressional staff first visited Louisiana to inspect the FEMA response in August, after the flood. They followed up on Feb. 15 and 16 when they collected information that was included in the recent records request.

Wilson's death is one of several concerns that's prompted the House Committee on Oversight and Government Reform to demand FEMA officials turn their records over. Chaffetz, as chairman, has asked for documents listing deaths and injuries inside manufactured housing units, repair records and other data. He's also requested analysis of the program compared to other temporary housing programs like Shelter at Home, plus costs and policies associated with that program. Graves said the committee will use documents provided by FEMA to look at ways disaster response can operate more smoothly.

Chaffetz raised concerns about the length of time it took to deliver mobile homes to flood survivors, specifically noting that three weeks after the disaster, just one person was living in a unit while others sat unused. The committee is also investigating the efficacy of the Shelter at Home program, which Graves said he loves — in theory.



FEMA suffers from periodic mobile home shortages; some may not get into trailers until new year

It would be great to allow people to move back into partially restored homes rather than using manufactured housing units, the congressman said. However, Graves pointed to a story in The Advocate that demonstrated that many of the people who were offered the program did not feel the work was sufficient and chose not to move back home. If the program is to continue, it needs to become smarter and less wasteful, he said.

"We have additional questions about the implementation of the Shelter at Home program, including the efficiency of the program, both in its execution and high administrative overhead costs," Chaffetz's letter states. "Reports of shoddy repairs performed at costs beyond value are an indication of a serious problem."

ADVOCATE STAFF WRITERS EMMA DISCHER AND GRACE TOOHEY CONTRIBUTED TO THIS REPORT.



OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

FEB 14 2017

Mr. Jay Dardenne
Commissioner
Department of Administration
State of Louisiana
1201 N. Third Street, Suite 7-210
Baton Rouge, LA 70802

Dear Mr. Dardenne:

The Department has approved the State of Louisiana's Action Plan for Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated under the Continuing Appropriations Act, 2017 (Public Law 114-223), which provided \$437,800,000 to the State for long-term recovery from major storms and flooding events that occurred in 2016. Of this amount, the State has allocated \$385,510,000 to an owner-occupied housing rehabilitation program, \$19,000,000 to affordable rental housing programs, \$11,400,000 to economic revitalization programs, and the remaining \$21,890,000 for administration and planning activities. As a reminder, at least 80% of the total award amount must be spent within the six "most impacted" areas (East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita, and Lafayette Parishes) which HUD identified in the November 21, 2016, *Federal Register* Notice (81 FR 83254).

Additionally, the November 21, 2016, *Federal Register* Notice requires grantees to primarily consider and address unmet housing needs; however, the Notice allows grantees to allocate funds to address unmet economic revitalization and infrastructure needs. In doing so, grantees must identify how any remaining unmet housing needs will be addressed or how its economic revitalization or infrastructure activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas. The State has allocated the majority of funds to housing programs and sufficiently described in the Action Plan how proposed economic revitalization activities will support the housing recovery, as required by the Notice.

The State identified significant remaining unmet needs related to renters and individuals experiencing homelessness in the most impacted areas. While some funds have been allocated to address the needs of renters, the State has made a programmatic decision in this Action Plan to not allocate resources in proportion to the unmet needs of these vulnerable populations. The Department acknowledges the State's intention with this initial allocation of funding is to provide the most immediate assistance to homeowners; however, there is a concern that the needs of renters and individuals experiencing homelessness may remain unaddressed.

The Department would like to commend the State for its commitment to increasing the speed of recovery. This is evidenced by the historically fast Action Plan submission, whereby the State submitted the Action Plan for HUD review 45 days in advance of the 90-day deadline set forth in the Notice. The Department shares this commitment and was able to expedite the publication of the *Federal Register* Notice in less than two months from the enactment of the Public Law. While the Department has up to 60 days to review CDBG-DR Action Plans, this review and approval was completed in less than 45 days. The Department believes that early engagement with technical assistance and regular staff-level communication enabled both the State and HUD to expedite these milestones. Therefore, it is the Department's expectation that the State will address the remaining unmet needs of renters and individuals experiencing homelessness in the forthcoming Action Plan amendment related to additional funding provided under Public Law 114-254. The Department's review of the amendment will focus on the State's updated analysis of unmet needs and accompanying program proposals to ensure funds are distributed to address the needs of renters and individuals experiencing homelessness.

Upon final approval of the State's certifications and risk assessment documentation packages, the Department will provide the grant agreement to obligate these funds. If you have any questions, please contact Jessie Handforth Kome, Director, Office of Block Grant Assistance (Acting), at (202) 708-3587.

Sincerely,



Clifford Taffet
General Deputy Assistant Secretary

*Testimony of I.M. Shelton to the House
Committee on Oversight and Government Reform on Oversight of the Federal Emergency
Management Agency's Response to the Baton Rouge Flood Disaster: Part II*

The City of Central, Louisiana is a 62 square mile municipality located 20 minutes north of Baton Rouge, Louisiana. The City of Central currently has a population of 27,947 people and 11,176 households.

On August 11th, 2016, a tropical weather system began that dropped more than 30 inches of rain in less than 72 hours on the City of Central, triggering a wide spread flooding event throughout the city and Southeast Louisiana. On August 14, 2016 the rivers that serve as the boundaries for the city rose to record breaking levels. The Amite River at Denahm Springs crested 46.20ft, breaking the record of 1983 by 5ft. The Comite River at Joor Rd crested 34.22ft, breaking the 2001 record by 4ft. An estimated 80% of the households and 10% of the businesses sustained damage from the flooding. The chance of a weather system such as this was less than 0.1%.

This 1000-year weather system dropped three times the amount of rain as Hurricane Katrina. This weather system caused the worst natural disaster that this community has ever witnessed.

However, the people of this community are resilient. Once the waters receded, people were working hard to remove all flood-damaged materials from their homes and preparing to rebuild. Within a week of the flood, citizens were ready to start the permitting and rebuilding process. As a government, we were ready to procure contracts for debris removal to clean our city.

We worked with both the Louisiana State Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) and the East Baton Rouge Parish's Mayor's Office of Homeland Security and Emergency Preparedness (MOSHSEP) to address basic questions, but there are certain questions and decisions that only FEMA can answer. FEMA's response to this disaster has caused incredible frustration. As Mayor of Central, I had no liaison or point of contact for FEMA for the 21 days following the disaster. As a local municipality, we had no choice, but to establish plans for recovery efforts to ensure the health, safety, and welfare of our citizens without guidance or assistance from FEMA. The complexity of the rules and regulations for procurement wasted hours of precious time. We sorted through processes and worked with GOHSEP to gain clarity on what would be deemed as acceptable by FEMA in order to be reimbursed. The first few meetings that were hosted by MOHSEP for the mayors of the region were the only interaction with FEMA officials that our organization had during the first two weeks of this ordeal. However, those meetings still left us with confusion and unanswered questions. When contact was finally established with liaison for our city, she was still unable to answer any questions that we had or offer explanations and insight.

FEMA's response, or lack thereof, has proven that the entity as a whole is inept, inconsistent, and disorganized. It was quickly apparent that the FEMA staff in our area had a lack of training and knowledge about the FEMA rules and regulations. The majority of the staff we have spoken to stated that they were brand new to the job with only 72 hours of training. Additionally, FEMA has a high turn over rate in the people on the ground. It has become common knowledge that your first interaction with a FEMA employee is more than likely to be your last with that same employee. In a disaster of this magnitude, it is important to establish consistent contacts and relationships as people are attempting to navigate the extremely complex FEMA process.

The entire business model of FEMA, in my opinion needs to be changed. It appears as though that model is currently: delay, deny and hopefully the applicant will tire and go away. Thus, the number of applicants will be reduced into what may be a manageable number. As an example, one of the first questions asked of an applicant is their living status. If they reply that they are living with in-laws, they are checked off as not needing housing assistance. Who in their right mind would think that is a permanent solution to housing? The applicant is not told this at the interview. For all they know, FEMA will call them back with an MHU or rental assistance. In addition to the weak questioning, those FEMA employees taking the applications are hardly trained and indeed have little or no regard to anything other than the black or white on the application form. Our city held a Town Hall meeting with FEMA reps who actually stated that FEMA would deny, but just appeal. He stated you may have to appeal two or three times, but keep appealing. DENY, DELAY AND HOPEFULLY THEY WILL GO AWAY.

FEMA is not set up to work with the municipalities. They work with states and counties, or in our case parishes, but the municipalities is where the real work is being done. In my city, every citizen has access to my cell phone number. That is impractical for a Parish President or the Governor. I am responsible for my citizens, they rely upon me to help them. They are going to reach out to me, and for me not to be able to give them answers, because I am shut out, is inexcusable. Yes, I said shut out. I was given several FEMA reps, but ultimately was told I would have to work with someone from the Governor's office, who did an excellent job, but we had to add another layer of red tape and channels. My first contact with FEMA in attempting to help my citizens was met with "privacy issues". It was only after I raised hell that I wouldn't know about their problems if they hadn't called me, did I get any information.

FEMA is overstaffed as an organization. It is my contention that it is so large, that it cannot react quick enough for emergencies. Never, was I given a chain of command of who to go to up the ladder to try to get things changed. I was told FEMA operates off laws, procedures, and policies. However, never, was I told what could be changed or why something couldn't be changed. This continues to this date in the request for payment on road damage that may not be visible but is certainly probable based on engineering studies.

Perhaps the saddest and most disturbing event of the entire flood and recovery efforts, was the death of Mr. Everette Wilson. An elderly, blind gentleman whose MHU thermostat was not working properly and his heat went out of control and BAKED him to death inside his trailer in his sleep. This was reported to FEMA, but not one memo, email, caution, nothing was sent out to alert anyone that I know of, and certainly not to me about this. I understand not wanting to create a public panic, but to not share this information of a potential problem causing death is reprehensible. I only knew of it because one of our city councilmen is the Chief Investigator for the East Baton Rouge Parish Coroner's Office. FEMA was notified and a FEMA file number was issued on this incident. I have the FEMA representative's name to whom it was reported.

To the issue of MHU's. This program is almost impossible to implement. To place thousands of trailers, involves hundreds, if not thousand of employees, at a cost that is extravagant and totally inefficient. I believe the same as Congressman Graves, don't give trailers, give a check for half the overall cost of the trailers and you'll save money, folks will get further down the road to recovery and the efficiency of the program will be sped up. To those who say we can't give money instead of the trailers because of the oversight of handing out money, I say, that trailer represents a pile of money sitting in the yards. Are we

any less diligent in oversight of a material good costing twice the money we would give out in cash? The other program used in this disaster, "Shelter In Home", was a terrific idea in theory, but poor in practical application. The program called for \$15,000 per home to put the home in livable condition, not total, but livable condition. No one expected granite counter tops or luxurious bathrooms, but I do believe they thought they'd have more than 4 two by fours for legs to a plastic utility sink for a kitchen. More money was probably spent on labor than on materials in this program. But again, a refining of this program, may make it beneficial in the future.

The people of my city and of Louisiana are a proud group of folks. I had many come to my office and cry with me over even having to ask for help. Imagine, you are 80 years old, and you lost everything to a flood. Not just your house, but EVERY possession you owned. Every photograph, every official document, every pot and pan. Despair runs rampant, hope is limited, darkness takes over. We are talking about lives of Americans.

For a nation to send billions of dollars overseas in federal aid, yet make its own citizens fight, plead, and beg for assistance is incomprehensible. FEMA does not act as an agency that is there in the midst of a disaster to help. FEMA seems to impede the progress of recovery at each and every step. Inconsistency, lack of flexibility, lack of compassion, and lack of knowledge is completely unacceptable for an organization of this nature.

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This 1000-year weather system dropped three times the amount of rain as Hurricane Katrina. This weather system caused the worst natural disaster that this community has ever witnessed.

However, the people of this community are resilient. Once the waters receded, people were working hard to remove all flood-damaged materials from their homes and preparing to rebuild. Within a week of the flood, citizens were ready to start the permitting and rebuilding process. As a government, we were ready to procure contracts for debris removal to clean our city.

We worked with both the Louisiana State Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) and the East Baton Rouge Parish's Mayor's Office of Homeland Security and Emergency Preparedness (MOSHSEP) to address basic questions, but there are certain questions and decisions that only FEMA can answer. FEMA's response to this disaster has caused incredible frustration. As Mayor of Central, I had no liaison or point of contact for FEMA for the 21 days following the disaster. As a local municipality, we had no choice, but to establish plans for recovery efforts to ensure the health, safety, and welfare of our citizens without guidance or assistance from FEMA. The complexity of the rules and regulations for procurement wasted hours of precious time. We sorted through processes and worked with GOHSEP to gain clarity on what would be deemed as acceptable by FEMA in order to be reimbursed. The first few meetings that were hosted by MOHSEP for the mayors of the region were the only interaction with FEMA officials that our organization had during the first two weeks of this ordeal. However, those meetings still left us with confusion and unanswered questions. When contact was finally established with liaison for our city, she was still unable to answer any questions that we had or offer explanations and insight.

FEMA's response, or lack there of, has proven that the entity as a whole is inept, inconsistent, and disorganized. It was quickly apparent that the FEMA staff in our area had a lack of training and knowledge about the FEMA rules and regulations. The majority of the staff we have spoken to stated that they were brand new to the job with only 72 hours of training. Additionally, FEMA has a high turn over rate in the people on the ground. It has become common knowledge that your first interaction with a FEMA employee is more than likely to be your last with that same employee. In a disaster of this magnitude, it is important to establish consistent contacts and relationships as people are attempting to navigate the extremely complex FEMA process.

The entire business model of FEMA, in my opinion needs to be changed. It appears as though that model is currently: delay, deny and hopefully the applicant will tire and go away. Thus, the number of applicants will be reduced into what may be a manageable number. As an example, one of the first questions asked of an applicant is their living status. If they reply that they are living with in-laws, they are checked off as not needing housing assistance. Who in their right mind would think that is a permanent solution to housing? The applicant is not told this at the interview. For all they know, FEMA will call them back with an MHU or rental assistance. In addition to the weak questioning, those FEMA employees taking the applications are hardly trained and indeed have little or no regard to anything other than the black or white on the application form. Our city held a Town Hall meeting with FEMA reps who actually stated that FEMA would deny, but just appeal. He stated you may have to appeal two or three times, but keep appealing. DENY, DELAY AND HOPEFULLY THEY WILL GO AWAY.

FEMA is not set up to work with the municipalities. They work with states and counties, or in our case parishes, but the municipalities is where the real work is being done. In my city, every citizen has access to my cell phone number. That is impractical for a Parish President or the Governor. I am responsible for my citizens, they rely upon me to help them. They are going to reach out to me, and for me not to be able to give them answers, because I am shut out, is inexcusable. Yes, I said shut out. I was given several FEMA reps, but ultimately was told I would have to work with someone from the Governor's office, who did an excellent job, but we had to add another layer of red tape and channels. My first contact with FEMA in attempting to help my citizens was met with "privacy issues". It was only after I raised hell that I wouldn't know about their problems if they hadn't called me, did I get any information.

FEMA is overstaffed as an organization. It is my contention that it is so large, that it cannot react quick enough for emergencies. Never, was I given a chain of command of who to go to up the ladder to try to get things changed. I was told FEMA operates off laws, procedures, and policies. However, never, was I told what could be changed or why something couldn't be changed. This continues to this date in the request for payment on road damage that may not be visible but is certainly probable based on engineering studies.

Perhaps the saddest and most disturbing event of the entire flood and recovery efforts, was the death of Mr. Everette Wilson. An elderly, blind gentleman whose MHU thermostat was not working properly and his heat went out of control and BAKED him to death inside his trailer in his sleep. This was reported to FEMA, but not one memo, email, caution, nothing was sent out to alert anyone that I know of, and certainly not to me about this. I understand not wanting to create a public panic, but to not share this information of a potential problem causing death is reprehensible. I only knew of it because one of our city councilmen is the Chief Investigator for the East Baton Rouge Parish Coroner's Office. FEMA was notified and a FEMA file number was issued on this incident. I have the FEMA representative's name to whom it was reported.

To the issue of MHU's. This program is almost impossible to implement. To place thousands of trailers, involves hundreds, if not thousand of employees, at a cost that is extravagant and totally inefficient. I believe the same as Congressman Graves, don't give trailers, give a check for half the overall cost of the trailers and you'll save money, folks will get further down the road to recovery and the efficiency of the program will be sped up. To those who say we can't give money instead of the trailers because of the oversight of handing out money, I say, that trailer represents a pile of money sitting in the yards. Are we

any less diligent in oversight of a material good costing twice the money we would give out in cash? The other program used in this disaster, "Shelter In Home", was a terrific idea in theory, but poor in practical application. The program called for \$15,000 per home to put the home in livable condition, not total, but livable condition. No one expected granite counter tops or luxurious bathrooms, but I do believe they thought they'd have more that 4 two by fours for legs to a plastic utility sink for a kitchen. More money was probably spent on labor than on materials in this program. But again, a refining of this program, may make it beneficial in the future.

The people of my city and of Louisiana are a proud group of folks. I had many come to my office and cry with me over even having to ask for help. Imagine, you are 80 years old, and you lost everything to a flood. Not just your house, but EVERY possession you owned. Every photograph, every official document, every pot and pan. Despair runs rampant, hope is limited, darkness takes over. We are talking about lives of Americans.

For a nation to send billions of dollars overseas in federal aid, yet make its own citizens fight, plead, and beg for assistance is incomprehensible. FEMA does not act as an agency that is there in the midst of a disaster to help. FEMA seems to impede the progress of recovery at each and every step. Inconsistency, lack of flexibility, lack of compassion, and lack of knowledge is completely unacceptable for an organization of this nature.